THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

July 31, 1948

SOUTH CHINA BANDITS

AN EDITORIAL

Red Star Over Yunnan

Galahad Wood

Effective China Aid

A Report

Peace Returns To Bali

Andrew Roth

NEWS AGENCIES Vs. GUILD

AN EDITORIAL

VOLUME 110 CNC$600,000 NUMBER 9

1870

BFG

B.F.Goodrich

固得力

袖領膠橡

Sole Distributors:

THE CHINA MERCANTILE CO., LTD.

97 Yuen Ming Yuen Road Tel. 13312

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Praising Us

To The Editor:

H. G. Wells says that a journalist, speaking his mind, is the salt of the earth. You certainly fulfill the requirement of a journalist of the first order as evidenced in your editorial, Total Warfare, (July 17, 1948). It is a horrible thing that the Chinese military use the term "Total Warfare" without putting quotation marks around it and that they did just the opposite thing by replacing civilian magistrates with the military and by militarizing all political, economic and social measures in terms of "emergency measures and lost practically all battles thus far without moral and military compunctions.

An article "China's Waste of U. S. Trained Troops" in the May 28, 1948 issue of the U.S. News and World Report says that China had 39 crack divisions two years ago set up and equipped by the United States in one of the most thorough military ventures ever undertaken by America abroad at a cost of hundreds of millions of dollars which have been wiped out in two years because the corruption and the Nationalist Army politics have broken up "Americanized" divisions, let supply lines get snarled and turned U.S. weapons over to green troops because of the inability to fit modern fighting units into an archaic military system. However the enthusiasm of the Washington Military Administration under the egging of such wise men as Judd, Bullitt, Luce and Dewey and a host of others, for its unfinished military tasks in China has not only been undiscouraged but also very much enhanced but I shall cry more vehemently in the wilderness that "The Kingdom of God is approaching and thou shalt repent."

CHINESE JOHN THE BAPTIST.

PS

May I suggest that you put out a brief biography of your writers, for example in the July 17 issue, Jean Lyon, Alec Stock and T. R. Lee provided that it does not expose their heads to beheading. I cannot be a martyr either. Please do what you think best and oblige.

Chengtu, Szechuan
July 21, 1948

Factories Close

To The Editor:

Recently, our mill stopped production for lack of raw material—cotton. Native production of cotton is not enough for consumption and the bad conditions of communication also interfere with the equilibrium of supply and demand. Nevertheless, the main fault lies in the miscontrol of the National Cotton Yarn and Cloth Control Committee. I do not know how it functions. I only know that if any cotton mill wishes to buy cotton, it must produce a so-called buying-certificate issued by the Committee and that the transportation of cotton cannot be undertaken without its consent.

The corrupt officials of this Committee use their power to interrupt the buying and transporting of cotton in order to profit themselves. Therefore many fac-

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*
Fang Fu-an, *Financial Editor*
Sam J. Wilde, *Advertising Manager*

Assistant Editors
Julian Schuman
Elizabeth Purcell
Yang Chen-fang
Joan Faulkner
Helen Sun

Contributing Editors
Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rohrbough
Ben Y. Lee
J. R. Kaim
Frank L. Tsao
Tseng Yu-hao
Shen Chien-tu
James L. Stewart

Correspondents
Jefferson Cath — *Canton*
Van Shih-ching — *Chengchow*
Tong Chun-cho — *Chengtu*
Chen Fu-sheng — *Foochow*
Mark M. Lu — *Kaifeng*
Helen P. F. Shih — *Kunming*
Joseph I. C. Luan — *Shantung*
S. E. Shifrin — *Tientsin*
Lauw Thian-hok — *Batavia*
Harin Shah — *Bombay*
C. Y. Hsieh — *London*
Joseph P. Lyford — *New York*
Jacques Decaux — *Paris*
David Conde — *San Francisco*
Ngiam Tong Fatt — *Singapore*
Hugh Deane — *Tokyo*

F. K. Chao, *Business Manager* Chen Pang-cheng, *Circulation Manager*

Index for July 31, 1948

Editorial Paragraphs

South China Bandits 251
News Agencies Vs Guild 252

Special Articles

Effective Aid For China 255
Cartoons 256-257
Red Star Over Yunnan ..... *Galahad Wood* 258
Less Trouble In Paradise; Peace Returns To Bali ..... *Andrew Roth* 260

Economic Section

Week's Business 262

Departments

Letters From The People 245
25 Years Ago 254
US Magazines 263
News Of The Week 264
What US Papers Say 266
What Chinese Papers Say 267
The Review's English Lesson 268

Subscription Rates

	3 months
Shanghai and China Outports	CNC$7,200,000
China Outports (Air Mail)	11,000,000
Hongkong and Macao	7,700,000
Hongkong and Macao (Air Mail)	12,000,000

	6 months	*1 year*
U.S.A. and other Foreign Countries	US$5.00	US$9.00

Price per copy: CNC$600,000

All mail rates are subject to change in accordance with postal changes.

Cable Address: "Reviewing" Shanghai **Telephone: 14772**

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI (O), CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A. REGISTERED AT THE CHINESE POST OFFICE AS A NEWSPAPER FOR TRANSMISSION WITH SPECIAL MARKS PRIVILEGES IN CHINA.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review are copyrighted under certificate of registration 警 No. 9953 issued by the Ministry of Interior. Registered with Ministry of Interior of the National Government of the Republic of China, under certificate for newspapers No. 京滬警 250.

Serving half the world

One billion two hundred millions of people in the Eastern Hemisphere are served by Standard-Vacuum and its great fleet of tankers.

This company and its subsidiaries are proud of the part they play in bringing to more than half the population of the world the petroleum products essential to their economic growth.

GARGOYLE Lubricants 美孚公司

STANDARD-VACUUM OIL COMPANY

tories are forced to stop or close down. We workers are all unemployed. How can we live?

S. K. TAI.

Wuhu, Anhwei
July 19, 1948

Shensi Governor

To The Editor:

Four years ago, important news was received from Chungking saying that Mr. Juh Jou-shaw was appointed Governor of Shensi province. This appointmen came as a great shock to corrupt officials and speculators as Mr. Juh's reputation as a man of great integrity had spread far and wide. He made strong resolutions to the people despite threats of revenge from his adversaries. The people at large acclaimed him eagerly.

Recently, Governor Juh resigned his chair to General Tung who is a native of Shensi. During his four years as Governor, Juh taught us a lot. We learned that he was incapable of wiping out corruption and nepotism. He gathered even more of his relatives around him. He had a financial agent controlling the Bank of Shensi who has also recently resigned. According to an accountant of the Bank, large sums of money were drawn by the Governor month after month and no one knew for what purpose this money was used. Before VJ Day, when the resistant war was at its height, the Japanese attacked Shensi. The Governor failed in his duty to restrict commodity prices, which, from that time on were higher than in any other part of the country. Opium criminals were killed off by the thousands—but only those who could not afford to bribe their way out of prison.

Early in the morning of July 17, I was rudely awakened by a loud knocking on my door. It was a policeman instructing me to dress hurriedly and attend a farewell meeting for Governor Juh. This, he said, was "by command." I went to the appointed place where crowds of people were assembled. In a moment, a magnificent motor car drove out with Governor Juh sitting in it with a big smile on his face and even fatter than he was four years before. Military music was pouring out and newsmen were busy photographing the Governor. I was heartily sick of all this hypocrisy and returned home.

T. L. L.

Sian, Shensi
July 19, 1948

End Bureaucracy

To The Editor:

Why doesn't the President improve the political and economic situation? This question is easily answered. Because the President cannot thoroughly clean up the bureaucracy and therefore permits the millionaires to control political and economic power. They are accumulating vast wealth, while the ordinary man is in the starving and dying zone.

This bad situation is bound to be followed by a revolution in the near future. The bureaucrats and millionaires will safely escape to foreign countries, while we bear the burden of national extinction. They will live comfortably abroad.

Anyone who works in any department of the government, cannot fail to see that the President is a good, brave and capable man. But it is beyond him to improve the actions of his all-important "arms." He allows the bureaucrats and millionaires to occupy key positions in the government, so that, when a good man attempts to enter the gates, he cannot go far without the co-operation of the bad crowd. The result is that the situation continues to worsen until the whole thing collapses.

Floors
renovated
by
Electric
Wiring &
Waxing

FESCO
DIAL 12156

PANTEEN

ROCHE

THE FIRST
VITAMINIZED
HAIR
TONIC

★ STOPS LOSS of HAIR
★ ELIMINATES DANDRUFF
★ PREVENTS PREMATURE GREYING

ROCHE = ROCHE = ROCHE = ROCHE

555

The "555" clock respects no position: it will work at any angle. No matter how the minute-hand is shifted, you will soon find it perfectly adjusted.

Manufacturers:

China Clock & Watch Works, Ltd.

980 ZIKAWEI ROAD, SHANGHAI TELEPHONE 70350

CONNELL BROS. CO., LTD.

Established 1898

Importers & Exporters

149 Szechuen Road, Shanghai (O) Tels. 16833-2-1

Head Office: **San Francisco**

Branches:

New York Bombay Tientsin

Affiliated Companies:

CONNELL BROS. CO. (HONGKONG) LTD.
Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.
Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)
Manila, Cebu and Iloilo

What we need now is that Dr. Wong, the new premier, should activate his policy for saving this nation. The President would soon be forced to discharge the bad elements who alone have accounted for Communist successes. Otherwise, we are doomed to starvation.

T. W. EMTRY WANG.

Kunming, Yunnan
July 12, 1948

Kaifeng Students

To The Editor:

We are the students of Honan University in Kaifeng. We are a group abandoned, despised and forgotten.

The Reds began their attack on Kaifeng on June 16, and the school authorities announced on June 18 that we students would have to leave the University and fend for ourselves. Artillery fire was raging outside and shells were falling here and there, but the school authorities were adamant—we were compelled to leave. As most of us had no homes in the city, we did not know where to turn for shelter and safety.

A great number of students, despite all dangers and difficulties, managed to get to Nanking. The rest of us, about 700 in all, stayed up here because of the difficulties in transportation and our own lack of money. On the morning of June 26, the Reds retreated and that afternoon the Nationalists recaptured the city. Little by little we returned to school. We found that the possessions which we had left at school had disappeared and that we were no better off than beggars.

The school itself has suffered irreparable damage. Most of the fine buildings have been bombed or burned. Furniture and other equipment have been lost or destroyed. Half of the professors have left. It is doubtful, whatever happens militarily, that Honan University will be able to reopen next term.

It is reported that about 1,000 of our escaping schoolmates have reached Soochow. They are living in hotels and are given CNC$1,000,000 a day for subsistence by the Government. New school buildings have been located, it is said, and it looks as if the removal of our school from Kaifeng is an almost-accomplished fact. Meanwhile, we 700 remaining students are left stranded here in war-torn Kaifeng. We have neither the money nor the means to get away. We are being fed, it is true, but on the meanest of milkweed flour, coarse bread and rice. We fear that soon communications may be cut off again, and our opportunity to escape will be gone forever. We remember the incident at Anyang last year when, while the battle was raging, all students and public officials were flown out of that city by Government planes. A similar deliverance this time would be long remembered and praised. We send our urgent appeal to the responsible authorities through your magazine in the hope that they will not forget and abandon us.

The Students of Honan University in Kaifeng.

Kaifeng, Honan
July 12, 1948

Taiwan Educator

To The Editor:

Senior Middle School education in Taiwan is bad. Remedies are needed. What blood circulation is to the human body, that is education to the country. But the Department of Education here is getting way off base.

It is slightly more than a year since my arrival in Formosa. After a year's observation of senior middle school education here, I must point out three important weak points and suggest their respective remedies. I hope the Department of Education here will contemplate

the former and act on the latter in order to achieve a real improvement.

(1) My first point is that the books used in senior middle schools are improper and inadequate and are greatly hindering the students' progress. First of all, there is something wrong with the Chinese language. Since the return of Taiwan to Chinese rule, this language has assumed great importance; every native student is wracking his brains to get it mastered. However, none of the students can seem to write a simple composition that does not bristle with mistakes; moreover, they often use queer-sounding phrases in conversation. In my opinion, there are two remedies for this: First, books containing mostly idiomatic Chinese and beautifully old Chinese poems should be discarded pronto, and new material with simple, clear and well-framed lessions should be adopted instead. Second, the length of time which each student is allowed for writing Chinese should be increased in order to allow him sufficient time to express himself.

The same general criticism holds true for the study of English. Students often say that their English books are not so welcome as they are useful. Quite so. These appointed books lack new thoughts and are filled with strictly literary English. Besides, many senior class students cannot speak or write English easily or even correctly. Obviously this results from lack of opportunity to do so. In my opinion there are two remedies. First, the ponderous books should be discarded and new ones with short, bright lessons used instead. Second, English-speaking clubs should be established, and the hours for writing should be increased, as with Chinese.

I also have the notion that the material used for the study of chemistry and physics is very much out of date. Great discoveries are being made abroad in these fields, the world is progressing, yet teachers here are teaching the very same stuff that they were taught in their schooldays. Nor is there enough emphasis on practical experimentation. A lot of opportunity to do experiments is needed if our students are ever to have the chance to become scientists and do something for their country. The remedy for this is the same as with the others—revised lessons, lots of practice (student experiments), and, conditions permitting, the importation of all types of foreign scientific magazines to be used as supplementary reference material.

(2) My second point is that certificates play a too-important and deadening role in education here. It is very apparent that in China the business of obtaining a certificate for its own sake is of paramount importance—much more important than learning for its own sake. Every year many Chinese students are graduated, most of whom are far from qualified for anything resembling a teaching job. Yet simply because they hold the all-important certificate, these incompetents are often hired as teachers or even assistant professors. This unfortunate situation is most clearly reflected here. Here, bad teachers with certificates are "good" teachers, and good teachers without them are "unqualified" and therefore "bad." What a pity that China's education is becoming so bankrupt.!

I strongly suggest that bad teachers, even when they hold the necessary certificates, should be dismissed. All those who would become teachers should be made to take thorough and comprehensive examinations in order that their true abilities and qualifications may be determined.

(3) My third point concerns the administrative setup. To be sure, the Department of Education has established committees of every kind to guide the various phases of education. At present we have three main guiding

Via GLOBE

Only in quiet waters things mirror themselves undistorted. Only in a quiet mind is adequate perception of the world.

—HANS MARGOLIUS.

●

GLOBE WIRELESS LTD.

51 Kwangtung Road
SHANGHAI (O)

Via GLOBE

Shanghai's American Daily—more than "just a newspaper"

During these trying post-war days, the Shanghai Evening Post and Mercury has slipped into a peculiarly intimate place in the minds and hearts of readers. Perhaps that is because it tries in every way to be as human as your best friend. Read it for true straight news, most of it printed at least 15 hours ahead of other Shanghai papers; for outspoken views; for bright touches and entertainment features which will take your mind off your troubles. For the times, subscription rates are low:

REVISED MONTHLY SUBSCRIPTION RATES

Effective July 19, 1948

	CNC$
Local Home Delivery	5,000,000
Pick Up Your Own Paper	4,500,000
China Outports, Ordinary Mail	5,100,000
China Outports, Airmail	7,400,000
Foreign Countries, Ordinary Mail	6,500,000
Single Copy	300,000

For Abroad US$1.50

The Shanghai Evening Post and Mercury

19 Chung Cheng Road, Shanghai (13).

committees; one for the Chinese language, one for the English language and one for natural sciences. These committees should, of course, be directed by experts in their fields, but this, unfortunately, is not the case. My own experience, being a teacher of English, is with the second-mentioned committee. It was established by Mr. Chien Koo-chuen, head of the Department of Foreign Languages at Taiwan University and an admittedly able man. However, he cannot do all the work of supervision alone, and his subordinates are mostly incompetent, to say the least.

In order that senior middle school education in Taiwan may measure up to the ideals and needs of the country, something must be done along the lines which I have just described. I hope the Departmental heads concerned will wake up and take the needed action.

F. C.

Taipeh, Taiwan
July 3, 1948

Corrections Offered

To The Editor:

H. T. Lee's article on Taiwan which appeared in your *Review* last week contained some bad mistakes.

Permit me to point out first that Dr. Wei Tao-ming was Chinese Ambassador to Washington during the war years. He has never been Chinese Ambassador to France as mentioned by Mr. Lee.

To say that "Dr. Wei knows how to enjoy life" and "He lives in the imposing edifice of the former Japanese Governor-General, possesses several motor cars of the latest model, and is guarded by well-dressed guards" reveal also that Mr. Lee does not have all the facts.

Indeed, Dr. Wei is living in the official residence originally built for the Japanese Governor-General of Taiwan. I wonder whether Mr. Lee knows it or not but no Japanese Governor-General ever lived in the house because of the fact that the Japanese Emperor, many years ago when he was the Prince, stayed in the building during his sojourn in Taiwan. Ever since then, no one occupied the building and I feel it is a wise move on the part of Dr. Wei to move into the house and put to an end the general belief that no one can occupy the house which was occupied before by the Japanese Emperor.

To imply that Dr. Wei is doing nothing but enjoying his life is unfair. In a recent trip to Taipei, the writer had the opportunity to call on Governor Wei several times and every time Dr. Wei took great interest to explain to me the various projects which he is promoting, such as dyke making, as well as the many problems he is facing in putting forward his plans of reconstruction. I have no doubt that Dr. Wei is working very hard in trying to improve the political and economic conditions of the island. Otherwise, he would not be so much interested in discussing what he has achieved and what he contemplates to do.

It is childish to discredit Dr. Wei by saying that he has many motor cars, well-dressed guards, or busy with "big shots" in sightseeing inspections. Leaving alone political issues, I dare say that Dr. Wei is doing far more in Taiwan Province than what governors in other provinces on the mainland are doing for their respective provinces.

F. F. A.

Shanghai
July 25, 1948

Taiwan Zoo

To The Editor:

I have to reprimand you for allowing the cages of my Taiwan Zoo to be littered with wrong labels. In your issue of July 24, an amateur naturalist, cursed be the ignoramus! by the name of H. T. Lee reports on p. 230 that Governor Wei of Taiwan once jokingly compared his predecessor Chen to a tiger and himself to a wolf. His Excellency has been accused of a great many failings but nobody has yet blamed him for the wretched sense of humor it would require to invent such unflattering similes by way of joking. The facts of the matter, as far as I remember them, are these:

Some time last autumn, I believe it was in your November 15 issue, I published an account of conditions in Taiwan in which I likened General Chen Yi to a tiger because of the ferocity with which he drowned the spring rebellion in Taiwanese blood. Governor Wei, I said, compared with him, is a hyena. The simile was not really in the best taste and I ought to regret it. Thus do metaphors lead weak men astray. What I had meant to express was my belief that the good governor is not so much a savage beast of prey that maims and kills but rather a timid sort of battle-field scavenger who quietly disposes of the casualties left by Nanking's stupid policy in Taiwan.

Last spring, on the occasion of some anniversary speech, Dr. Wei complained of the press attacks on him and quoted, by way of example, my tiger-hyena figure without citing author or place of publication. Far from being in a jocular mood, very far indeed, the poor governor sounded as if he felt quite hurt by so much unkindness; which quite surprised me since I had sincerely desired to pay him, too obliquely perhaps, a pretty handsome compliment; for our administrative Zoo in China is such that it would take all of Shakespeare's plus most of François Villon's fruity vocabulary to find enough condemnatory animal equivalents for them. In the company of rooting hogs, bottled spiders, hell-hounds and carnal curs, hunch-backed toads, ill-favored basilisks, and venom-toothed vipers why, in such an assembly a harmless hyena gains much, though one may never come to look on it as an endearing pet.

Having thus vindicated the Governor's sense of humor and having taught Mr. Lee a lesson in vertebrate taxonomy, I may be allowed to retire to my miserable hovel, for the heat is great; but not without a parting admonition to the editor in the future better to protect my literary copyrights.

D. Y. LANNE.

Shanghai
July 26, 1948

Sikang Education

To The Editor:

Having received your final Expiration Notice, I am sorry to say that I must discontinue my subscription to your esteemed *Review* for the time being. My economic situation is getting worse and worse. However, we greatly enjoyed some of the topics that appeared in the *Review*. It is very regrettable that in a province as remote as Sikang, we cannot avail ourselves of so valuable a magazine as the *China Weekly Review*.

There are some civil servants as well as students here who can afford to subscribe but do not do so as their English is very poor. I venture to say that graduates of the academy or senior middle school here have not reached the standard of a Junior middle school graduate in Shanghai. I heard that one teacher taught students to identify the days of the week by "week one, week two" and so on instad of Monday, Tuesday, etc.

The school authorities only engage teachers who are related to the directors. Under such conditions, how can education be improved.

H. S. LING.

Kangting, Sikang
July 10, 1948

Tweed
10 Central Rd. Tel. 10431
SHIRTMAKERS
MEN'S OUTFITTERS
WELL KNOWN FOR FIRST-CLASS WORKMANSHIP

EAT AT
Jimmy's
133 Nanking Road
Shanghai
Branch 11-3 Rue Montauban

Best in ORIENT
40 BUBBLING WELL ROAD SHANGHAI
TEL. 96999

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 110 Shanghai, Saturday, July 31, 1948 No. 9

South China Bandits

IN recent weeks the reports of banditry and Communist activity in South China have increased noticeably. It has even been reported that since former premier T. V. Soong assumed the governorship of Kwangtung and inaugurated his new reform administration the number of bandits, Communists and other peace disturbers has more than doubled.

These stories are important in that they indicate a serious situation in one of the few areas under Central Government administration which is far removed from the fighting fronts and which, theoretically, is to be built up as a base in the rear for the prosecution of the war against the Communists. If conditions are so bad in the rear areas, a person of pessimistic nature might be led to conclude that there is little hope for the Government. We have already heard several comments to the effect that if Nanking can't govern a rear area properly so that conditions of relative order and stability prevail, how can anyone expect it to cope with the problems in North and Central China where there is the added factor of a full scale civil war?

While much of the trouble in South China, as well as elsewhere, can be laid squarely at the door of the Central Government, there are many disturbing factors over which this regime has no control. The combination of natural and man-made difficulties does seem to produce a problem which is almost beyond the capabilities of Nanking. As usual, though, there is an answer and that is improvement wherever possible so that the total difficulties may gradually be lessened until the problem has been whittled down to a size suitable for full scale assault.

While we have not personally visited Kwangtung since Governor Soong assumed office, we have spent quite a bit of time there in the past and have attempted to keep in touch with recent developments.

One of the root problems is population. For a great many decades South China has been badly overpopulated. However, this problem in the past was minimized to some extent by the mass emigration of men from Fukien and Kwangtung to other countries of Asia and even to the Western Hemisphere. These Overseas Chinese made a major contribution to the economy by their regular and substantial remittances to families back home. Thus a large part of the region's financial deficit was made up each year. This asset was lost when the Pacific War broke out and communications were disrupted and other countries of Southeast Asia overrun. Since VJ Day the governments of several Pacific nations, faced with huge postwar reconstruction jobs, have placed restrictions both on remittances of funds to China and on Chinese immigration.

The effects may be seen in many South China villages which were once prosperous but which now lie in a state of semi-decay. We spent an afternoon in one such village last year and found that the main difficulty was the loss of outside funds. This small, partially walled town, only a few miles from Canton, had not received a cent in overseas remittances since before Pearl Harbor. Residents estimated that there were at most 2,500 people living there and that they "thought" there were about 100 to 150 natives from the village living in the Philippines, Malaya, etc. A loss of revenue from approximately five percent of its citizenry was a serious blow. The second problem was that no one had been able to emigrate since the end of the war, with the result that the village population was growing faster than ever before and good farming land was nearly exhausted. Already, villagers said, they were beginning to plow higher and higher on the hillsides each year and, already, the yield from these "new" farms was becoming smaller and smaller.

There was no Communist or bandit difficulty to contend with and, the villagers said, their tax and landlord problems were not too great. Postwar conscription had not yet begun. While this may have been an exceptional village and we admittedly did not find out a great deal about it, we were able to get a few ideas of its problems.

The main problem, overseas remittances, was beyond the scope of the Government since the native sons apparently had not been sending money home, either through legal or illegal channels. However, there was room for considerable improvement on the part of the Government. The villagers, for instance, had never heard of the Farmers Bank of China, when we asked them about seed and fertilizer loans. The village apparently had no ready cash for such needs and the farmers secured the necessary money by going into Canton and working as coolies until they had made enough. One can easily imagine how long such labor must have lasted.

Clearly, here was a situation where a little proper help and attention from the provincial or national authorities could have improved conditions greatly.

On a larger scale, it was our impression then and now that too much time was spent by officials in petty politics. At various times, governors and mayors, party leaders and military commanders, were all at outs and devoted a large measure of their time and energy in attempts to sabotage each other's position and efforts. Frequently a needed

job was not accomplished because one official did not wish another one to receive credit for getting something done. Officialdom generally was pretty inefficient. Evidence of the extent to which personal politics of various personages dictated government, could be seen when Governor Soong fired well over half of the hsien magistrates following his assumption of office. About half of those fired are in jail or awaiting prosecution for corruption and various other misdeeds. If Governor Soong's charges are sustained in the courts, there will be no denying that at least half of the hsien in the province were misgoverned at a low level.

Another situation which we noted in Kwangtung during the first two postwar years was the divided, obscure authority. It was never made entirely clear as to who was actually the ranking man in the province. General Chang Fah-kwei was in charge of the Generalissimo's Headquarters, while General Lo Cho-ying was governor. The simple fact that everybody in Canton had a different idea as to who was boss indicated the lack of a clear-cut decision from Nanking. It is significant that Governor Soong has been given over-all authority for the entire province.

However, there are indications that even this grant of power has not been complete. There are constant rumors and reports of opposition to the Governor from the Provincial Council and other groups. Naturally the dismissed magistrates are bringing pressure on their higher political friends in an effort to escape Soong's dismissal and arrest orders. Recently, it has been reported, Governor Soong had to compromise with one important personage whom he had thrown in jail because the latter was so powerful that he and his friends were able to bring heavy pressure to bear on the Governor both in Canton and in Nanking.

If Nanking seriously wants to erect an honest to goodness base in the rear in South China, it simply has got to clean out the political mare's nest in Canton. Sending one of China's most able administrators to Canton will not accomplish the job. Nanking has got to make up its mind. Either it wants a strong, able governor who will get things done, or it desires a muddled state of affairs in which each important person in Kwangtung spends so much effort fighting his political enemies that none has time to do his appointed job.

China can no longer afford such luxury. Natural problems in this country are tremendous, but when they are magnified by man-made ones, they become well nigh insoluable.

News Agencies Vs Guild

QUITE a lot of fuss has been stirred up this week as a result of the current fight between the *Associated Press* and *Reuters* on the one hand and Shanghai's Newspaper Guild on the other. The argument has been over the question of rates. The Chinese papers have desired to pay less, while the two foreign news agencies have asked for a rate increase. This is really not very important and does not deserve much attention. However, a couple of added developments are quite interesting.

First, the third major news agency, *United Press*, declined to go along with *Reuters* and *AP* in serving notice that service would be suspended unless the new terms of payment were met. *UP* seemed satisfied with what it was getting. Various interpretations of this have appeared in the local press and finally, the *UP* issued a statement saying that it had acted independently because it found its own position satisfactory.

The second important development came when the *Shanghai Evening Post* and the *North China Daily News*, the only two foreign-owned English-language dailies in town, got into an argument with the Guild. The Guild originally had told its four English-language members that they need not be bound by the majority vote of Guild members to boycott *AP* and *Reuters* until they gave up their demands for increased payment. The Guild apparently did this because it realized that the foreign language papers were read by many Chinese and foreigners mostly for their foreign news and were therefore more dependent upon the news agencies than Chinese-language papers.

In any event the *North China* and the *Post*, which recently were the victims of a short-lived Guild "punishment" in the form of reduced newsprint allocations, have been commenting upon the authority of the Guild to dictate such matters as what news shall be carried to member papers. The Guild, has answered, charging these two papers with attempting to draw "national" lines in the argument.

This dispute serves once again to bring up the question of Chinese guilds and whether or not they are a proper institution for the 20th Century. Guilds have had a long history in China and, what's more, foreigners have been having trouble with them since the days of the "Co-Hong" in Canton, which was the organization licensed by the Peking Court to handle the opium and other traffic with the foreigners. From a foreign point of view, the entire conception of a guild is unacceptable. However, the guild system of regulating trade and preserving order seems to have satisfied Chinese officialdom, if not the consumers, for a great many years.

While it would be difficult for any person today, especially a foreigner, to know why Chinese administrators of a few centuries ago favored the development of guilds, we might hazard a guess. Chinese government administration traditionally has been loose and frequently inefficient. Officials, especially in the remote provinces, could not hope to keep track of the thousands of small traders and see that each and every one paid his taxes and other charges to the officials. However, if guilds organized along trade or industrial lines were formed and the officials of each guild held responsible for such matters as taxes, compliance with government regulations, etc. the task of governing becomes much easier. The fact that this line of reasoning was at least one of those followed by early officials can be found in many documents dealing with

trade between the foreigners and Chinese in the 17th and 18th centuries. On more than one occasion the Emperor's trade representative in Canton, finding that smuggling, etc. were getting to be too much for him, would halt all trade and not allow it to be resumed until he had narrowed the channels through which it could pass.

The result of all this is that today the Chinese guilds have developed into organizations which have no counterpart in the West. Not only do they perform the usual functions of chambers of commerce in America, but they also serve as an adjunct of the government in that they perform many activities of a police nature usually reserved for state agencies in America or Europe.

This again goes back to the Chinese system of government. As the local gentry in the countryside act as sort of lower order, unofficial government functionaries in that they frequently do the actual tax collection for the government officials and often act as go-betweens to intercede with officialdom on behalf of the peasants, the guilds in the cities carry out many government orders and also protest to the government on behalf of the individual merchants. For instance, if the government (local or national) desires that all tinsmiths stop making water buckets, it simply issues the order to any and all guilds connected with tin manufacture and it is up to the guilds to see to it that the order is handed down to the individual merchants and to see that it is complied with. If it is not, the officials of the guilds concerned, as well as the members collectively, may be held responsible for any transgressions among members. In fact, many guilds require that each member agree that he will be responsible for his pro rata share of any member's bad debts!

Whether or not such a system of business organization suits the Chinese is a question for the people themselves to decide. From a foreign point of view, the guild conception is archaic and serves only to hamper trade, besides being a gross violation of individual rights. However, from a Chinese point of view, such an extension of the governing hand may be welcomed, especially since government in China today is about as loose—if not looser—than it was when the first foreigners visited this country.

However, we do think that it might be well for Chinese publishers of newspapers, magazines, books or other items, to give the idea a little thought. Presuming that Chinese publishers, as well as the Government, have accepted the idea of a free press, then strict regimentation and regulation by guilds is as much a threat to press freedom as the present publication law being debated and discussed in Nanking. It seems to us that one thing China really needs is a free and responsible press and we do not think this can be attained by granting so much authority over the various acts of individual publishers. We think that the traditional Chinese theory of collective responsibility, so prevalent in most official thinking even today, could be scrapped, at least as far as the press is concerned.

THE other point of interest brought up by this dispute, is the somewhat mystifying position of the *United Press*. The implication of the *UP* statement was that *UP*, an independent business organization, was indulging in its oft-stated belief in free enterprise and simply was not interested in joint action with the other agencies. This, of course, is a perfectly permissible attitude and, possibly, one to be admired. One might also get the idea from reading the aforementioned statement that *UP* felt it was getting along all right financially and saw no reason to kick. This is also possible, as is the chance that *UP* hopes to do more business if the other agencies either cut off their service or are boycotted by the papers. This is free enterprise, pure and simple.

However, there is one last point which we think should be examined. It has been figured by the other agencies that *UP* is getting the equivalent of only 30 cents US currency per day per paper and, knowing the fondness of *UP* head offices for profits, it seems hardly likely that the local bureau, which must support itself to the best of its ability, could last long on such slim fare. *UP*, however, allegedly has one other source of income which neither *Reuter* nor *AP* have. That is their special arrangement with the semi-official Chinese *Central News Agency*. While we are not in a position to know just what that arrangement is, although there are rumors to the effect that *Central News* pays *United Press* a very substantial sum per month in America, we do know that the *UP-CNA* agreement goes back for many years. During a short period of the Pacific War, for instance, when *Central News* was particularly low on ready cash and could only buy a few hundred dollars worth of news per month, the American Government, in the interest of increasing the news from America which came into China, agreed to underwrite an equal amount of *UP* news for *Central News Agency*.

While an agreement between *UP* and *CNA* is not per se bad or illegal, it certainly has its doubtful points. American news agencies have often followed this practice of selling their service in one lump to native news agencies in different foreign countries. However, in countries where the native news agencies are government instruments, the system obviously may not work in the interests of a free press in that it permits the local chosen instrument to kill any unfavorable news or any particular items which the government may feel the people should not read. If, on the other hand, the service is sold individually to each paper, competition among the papers would force each to print all material which had any news value. Another possible fault in the system is that the agency selling to a national instrument is frequently under heavy obligation to tailor both its incoming and outgoing news.

While we are not aware that *United Press* has been under any such pressure from *Central News* nor do we have any reason even to suspect that *United Press*, an agency long known for

the quality of its news and the ability of its staff members throughout the world, would succumb to any such pressure if it were applied, the system nevertheless is fraught with dangers.

For example, let us make up a hypothetical case. Suppose that the Chinese Government decided that it didn't like the stories being written about the war with the Communists by the various American newspapermen in China. Legally and openly it would be difficult to do much about this, except to issue denials and try to prove such stories false. However, a clever Chinese official might conceive the idea that if he could get different sections of the American press in China to write different versions of the China "picture," he might do some good. Therefore, what would be more likely than that he would attempt to put pressure on those least able to withstand it. In the present case, *AP* and *Reuter*, not to mention individual correspondents, having no financial arrangements with the Chinese Government, would be hard to touch. *UP*, however, which does a heavy volume of monthly business with *Central News Agency* might be in a weaker position to resist.

Let us repeat, we have no suspicion that any such situation has ever arisen in the past or is likely to arise in the near or distant future. However, the stage is set if the situation should arise, and one cannot be called an alarmist for saying it is conceivable that it might. Most press agency men, we imgaine, can cite from memory instances and countries where similar situations have developed in the past.

* * *

IT is our belief that the two American news agencies and the British news agency would do well to move with care in the present situation. *AP* and *Reuter* should stick to their present system of servicing only individual papers. Also, we think, they must consider the fact — when asking for increased payments—that virtually every paper in China today is losing money. While one cannot expect the agencies to operate their Shanghai bureaus at a loss, it might not be too much to expect them to take a lenient view regarding profits during these difficult days and to do the best they can toward helping what remains of China's free press.

We also think that *UP* must be doubly careful since it has this special arrangement with *Central News Agency*. An organization which has fought for freedom of the press—and which lives off a free press—so strongly in the past must, in our view, assume a very stern stand on such questions. A news agency is a business, to be sure, but it has a code of ethics much stricter than any other business organization. A firm stand to forestall any possible attempt at pressurizing by *Central News* might go a long way toward helping *CNA* develop a code of operation of its own, during these days when it is supposed to be undergoing a transitional period from the Government's chosen instrument to an organization owned and operated by member papers.

25 Years Ago In *The Weekly Review*

Rusting On The Dock

July 28, 1923.

Valuable machinery belonging to the new Chinese Government Mint at Shanghai has been rusting away on the dock at Shanghai for nearly a year at a monthly cost of $20,000 for storage, insurance and interest because of the inability of the Chinese Government to complete the job, according to a statement of Mr. Clifford Hewitt, mint engineer for the government. The buildings located on Soochow creek in the outskirts of Shanghai, costing approximately $2,000,000 have been ready for the installation of the machinery for many months.....The new mint will have a capacity of $1,000,000 standard Chinese silver dollars a day and if efficiently and honestly operated should be able in a short time to put China's metal currency on a sound basis.....The reasons for the delay in the completion of the mint are not known, but it is presumed that they have their foundation in the unsettled political situation at Peking. Owing to the importance of this enterprise to the Chinese bankers of Shanghai it would seem that they should be able to exercise sufficient influence upon Peking to complete this institution which is vital to the commercial and financial stability of the republic.

* * *

Handwriting On The Wall

China knows there can be no financial aid until a reorganization plan is worked out by the Chinese themselves. And until that point is reached the money-lenders of Shanghai and other Chinese cities will increase their interest charges to a point commensurate with the risks involved. They know their own people. China has untold resources; she is bankrupt but far from insolvent. And what she has she is going to keep for her own. The talk of foreign intervention will soon die down. There are breakers ahead for the Ship of State in China, but they will come from the Chinese and not from the foreigners. Wise businessmen in foreign countries have taken note of this. Two large concerns have closed important branches within a month. Some saw the handwriting on the wall and got out from under as long as a year ago. China is sometimes said to be anti-foreign. She may seem to be anti-foreign at times. The truth is that she is pro-Chinese.

10 Years Ago In *The China Weekly Review*

Consider Raising Salaries

July 30, 1938.

The war has left a deep imprint upon Shanghai's pocketbooks. The actual hostilities, however, were only a contributive factor to Shanghai's economic plight. The aftermath of war, with a continuance of trade-stifling, has left the city's business firms in an unfavorable position. Most damaging of all, however, has been the fall in value of the Chinese dollar. In a comprehensive survey of the situation, the *China Press* has found that:

Living costs here have increased by 15 percent.

Power bills will go up 24.45 percent.

Temporary increases in gas and water rates are being studied.

Many large companies, along with the Municipal Council, have raised, and many are considering raising, salaries of employees to meet the higher cost of living.

* * *

Tourist Trade Drops

The avoidance of Shanghai as a port of call by Robert Dollar vessels and the luxury liners of the Nippon Yusen Kaisha line has almost completely killed the city's tourist trade, the *China Press* reported this week. Compared with last year, which, up to the outbreak of hostilities on August 13 was one of the finest travelling years recorded, the number of tourists coming in is less than 10 percent.

Effective Aid For China

(The following are the opinions of a foreign relief worker who is leaving China after two years spent in organizing and conducting relief work in various parts of the country. His next job will take him to the United States where he will be China advisor to a private relief agency.—Editor)

HAVING put away my rose-tinted spectacles against the senility of old age, I have come to regard all national relief as "political." History shows few examples of the Government of one country helping the Government of another for purely altruistic reasons. Mr. Baldwin once said, in an incautious moment, "Our frontiers are on the Rhine," and no doubt Mr. Truman tends to feel much the same way about the Yangtze. Perhaps we may then assume that the present aid is to help stabilize the situation for the National Government; if this is so the amount is pitifully inadequate. It would be better to give a great deal more or nothing at all. The present amount is just large enough to be written off as an uncomfortable bad debt.

If we take a less cynical view, we may well doubt the efficacy of putting millions of the US taxpayers dollars into a country which is devoting 70 percent of its income to war. This may not be a lot of money but with the cost of one day of war, it would be possible to pay for the annual cost of the entire National Health Program. We know that without the huge wastage on civil war, it is estimated that China would be able to balance its budget. In questioning the wisdom of giving aid to China, no one who has worked here would omit the matter of corrupt officialdom. I am not of the opinion that it is a matter for congratulation that, by close scrutiny, a dollar may be seen to do the work of 25 cents.

Military Intervention

To the Military Interventionist the answer is simple: "A few battalions of good American soldiers are worth hundreds of millions of our dollars. Let's give the money when we have defeated the Communists." This solution takes cognizance neither of the international implications of such action nor of the fact that the Japanese during years of occupation were unable to defeat the Communists. It also fails to face up to the fact that the very evidence of Communist successes with poorly armed troops against an enemy trained and equipped with foreign assistance must lead to the conclusion that they are fighting for something in which they believe.

At worst then, we are faced with a country impoverished and divided by a bitter civil war, governed by a reactionary clique supported by a corrupt officialdom. Into this maelstorm of intrigue and strife the United States Government is pouring four hundred million of its taxpayers money in order to keep the wavering National Government in a vertical position and use it as a possible bulwark against the threat of Communist success. Again, at worst, the availability of supplies, both for war and rehabilitation, to the Nationalist area from an outside power is a direct invitation to Russia to reciprocate in the Communist-held parts of the country. This could easily lead to the third world war. At best, it means that a lot more Chinese will be dead in a far shorter time than without interference.

What is the political alternative? It would seem to be nothing less than non-intervention. Many Chinese with whom I have discussed the matter feel, maybe wrongly, that without foreign support the Government as at present constituted would have been unseated some time ago, either by a liberal middle party or more recently by a vocal minority of the younger military men who are daily becoming more dissatisfied with the progress of the war. If the Communists cannot force a military decision in the field, they may well be able to force a political one in Nanking which would result in the broadening of the Government to embrace Communist representatives. The final result possibly being a partitioning of the country. This, to the minds of many people, would be a far happier solution to the present state of affairs than the use of outside aid to bolster a Government which daily becomes more disreputable and faces a waning confidence on all sides. The results of non-intervention are a matter for conjecture but whatever they may be they would at least have the merit of letting China solve her own problems, mature after the painful fashion of other nations, remove the stigma that the U.S.A. is attempting to create a satellite state and save the American taxpayers a lot of money.

Too Much And Too Early

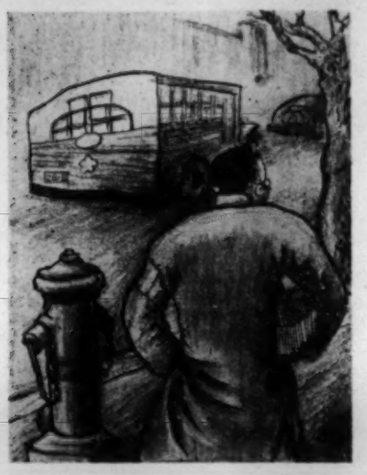
No one who has traveled in China and seen with his own eyes the results of the general legacy of famine, war and disease, which is China's lot, could believe that aid for the Chinese people is a bad thing. We are back, then, at the point of asking ourselves how we may ensure the aid getting to the people who really need it. In regard to the question of "To give or not to give" the principal comment would seem to be not "Too little and too late" but "Too much and too early." One does not feed steaks to an infant who as yet has not grown the wherewithal to masticate them. Neither should large sums of money be made available to a country which cannot absorb them to proper use.

A traditional recipient of Foreign Aid, China can example many instances of the successful distribution of supplies, the success of such ventures being on a directly inverse ratio to the size of the operation. The International Relief Committee, with its regional committees throughout China, is able to disburse medicines and funds, oversee a varied type of projects and incur a loss by squeeze which would bear favorable comparison with operations in a western country. This is mainly attributable, in my view, to the fact that Mission channels are used and a greater degree of honesty obtains there than elsewhere. Such organizations as the Friends' Service Unit, The Mennonite Central Committee and the Brethren Service Unit, not to mention many others, have obtained a maximum of efficiency in spending foreign funds on relief work in China because they have dealt at ground level and have actually seen the cod-liver oil leave the spoon and descend into the child's stomach. This, in most people's view, is the only successful way of ensuring supplementary feeding. It is an unhappy commentary but, on the whole, I feel that foreigners must be in charge of the immediate supervision of supplies, either cash or goods, from wharf to recipient.

Lack Social Consciousness

I do not think it is a question of the Chinese being fundamentally dishonest but they do lack to an alarming degree a feeling of social obligation and consciousness. However, it is not unnatural that there should be so little concern for death, disease and poverty, in a country where they are so abundant that everyone can afford them. We can all of us become inured to that but we cannot so easily become complacent at the sight of officials making money out of their fellow countrymen who are sufferers from famine, flood and disease. Perhaps I have been unfortunate, but in two years of relief work in China, entailing visits to 12 provinces and travelling some 15,000 miles, I have met less than five men in influential positions who struck me as being imbued with a strong sense of social awareness and a burning desire to do something for their fellow men.

Under these circumstances, it would seem that one must go very slow on relief measures and no more must be doled out than can be readily digested. Either that, or colonization and the bringing out of hordes of foreign officials who will oversee every aspect of disbursement must be resorted to. As this would seem quite impractical we must cut our cloth according to the pattern and, if we are really concerned with helping the Chinese people, let us aid them slowly to assist themselves by developing their initiative and not abusing it.



Teachers usually must travel great distances in crowded vehicles to reach their schools.

Meager salaries permit teachers to eat very little for lunch. They can scarcely afford rice and find "Ta Ping" no great privilege to eat.

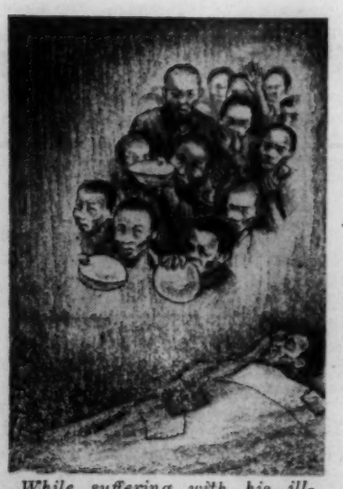
The hungry teacher forgets his hunger when confronted by his earnest pupils.

Meanwhile, the teacher's salary creeps along at a snail's pace while the prices of commodities continue to soar faster and higher each day.

In school, because of undernourishment and general rundown physical condition, many teachers are victims of tuberculosis. The constant breathing of harmful chalk powder helps bring on the dreaded 'TB'.

During the first week of Mar
YMCA and YWCA jointly spons
cartoons depicting the life of vario
in Shanghai.

Among the subjects covered
picturing the life story of the
teacher in Shanghai. The author
Soong, is a primary school teac
cartoons was contributed to the ex
School Teachers' Association. M
was called "The Life Of A School



While suffering with his illness, he can constantly see the tormented faces of some of the nation's starving pleading for something to eat.

All the kindness and affection of his family and friends is not enough to cure the illnesses so many teachers find themselves suffering from.

*At death's door, the teache
still can see and understan
the disaster which roarin
cannon and war have brough
about.*

Although he teaches other people's children every day, he does not have enough money to pay for his own children to attend school.

Even late at night the teacher's duties are seldom over. Many times he must work at home until well past midnight.

k of March, 1948, the Shanghai
ly sponsored an exhibition of
e of various occupational workers

covered was a series of cartoons
of the average primary school
e author of the series, Mr. Ts'un
ool teacher and his group of
to the exhibition by the Primary
ation. Mr. Soong's contribution
A School Teacher".

Though sick and weary, the teachers continue to come to school and teach and, at the same time, are unable to afford the cost of being treated by a doctor.

Finally, because it is physically impossible, the teacher is too sick to get out of bed and must be attended to by his own family.

the teacher understand ch roaring ave brought

Too weak to resist, he dies after devoting all his time to education until the very end of his life.

On the part of the students, sadness has turned to anger; unity means strengh. They ask, "Who is responsible for the tragedy?"

RED STAR OVER YUNNAN

Galahad Wood

(Special Correspondent, The China Weekly Review)

(Kunming, July 18).

IT is understood that, with the exception of a small number of hsiens in the east and around Kunming, the "bandits" have grown in strength and in number in almost the whole area of Yunnan. Nowadays the lao pai hsing are interested in the "Local Reds," 20,000 at least, under the command of Chu Chia-pi, a veteran Red, in the south and west.

Chu Chia-pi, over 30 years of age, a rich native of Lungling hsien near the border of Burma, is the nephew of Chu Sheau-tung, the deceased General and Commissioner of Civil Affairs in Yunnan. Chu is both a graduate of the Yunnan Military Academy and the Red Military Academy in Yenan. Upon his return to Yunnan, he became the vice-chief of a battalion in the 93rd Brigade in war time. During the time Yunnan was threatened by an attack from the Japs stationed in Indo-China, the First Command Army of which General Lu Han (the present Governor) was the Commander was organized in the south and in which Chu got his promotion as Chief of the Guard Battalion. In common repute he was considered a fine military officer. He used to lead a life as plain as his soldiers.

Without ordering the lao pai hsing to supply them with constructive materials such as wood and bamboo, Chu and his soldiers not only built the barracks for themselves but also for their regiment in Kaiyuan hsien along the Indo-China Railway. In those villages where the Battalion was once stationed all people recognized Chu as their "best friend." When General Lu reviewed the First Command Army, he praised Chu to his face. In the course of the First Command Army receiving the Japs surrender in Indo-China, Chu was arrested on the charge of having kept close connections with the Vietnam Government. General Lu saw Generalissimo Chiang sometime later, who, incidently asked Lu about the story of Chu. Lu replied that his past record in the Army was good. Chu was then set free and allowed to join the 16th Discharged Military Officers Corps in Kunming. The Corps was later disorganized and Chu became unemployed.

Perhaps his project had ripened for execution, for Chu returned to Lungling and sold all his properties. He employed his money in smuggling opium and buying munitions and all kinds of military materials in Burma. A couple of months ago, he and his best advisors came to Yunnan via Kwangsi Province.

Good Discipline

An eyewitness just back from the south has told the following story about Chu and his local Reds:

It is said that Chu is the chief Communist leader responsible for organizing and commanding all the local bandits in the whole of Yunnan, especially in the south. Among his men there are a number of educated people including doctors, physicians, professors, teachers, university students and boy and girl students from the middle schools of Loping, Lusi, Milo, Shytzung, Shihp'ing and Chienshui hsien etc. The Red Star (with five angles) is their emblem. They are equipped with modern arms, radios, mobile clinic and modern military conveniences for marching and fighting. They are well-organized and disciplined. Each man carried five tou of rice for emergencies in case of a food shortage. They have given up the policy of looting the rich though they always help the poor. That is to say, they loot only materials such as munitions and rice owned by the government. Any place they capture they distribute rice to the poor. They treat the lao pai hsing very kindly and pay more for whatever they buy than the fixed price. Wherever they go they are welcomed by the lao pai hsing and treated hospitably.

1500 Reds

On April 25, over 1,500 Reds (it is said they were real Communists), carrying a lot of American-made arms from Kweichow, intruded into two townlets or villages of Loping hsien on the border of Kweichow. Immediately they amalgamated with several thousand local bandits whose leaders are Jen Shiau-yuan and Chang Tien-lu, both local pao chia chiefs.

While they were stationed in those two townlets, their boy and girl political directors propagandized democratic principles by means of colorful cartoons, slogans, handbills and played different "street operas" explaining how the rich oppress the poor. Their action and eloquence moved the audience to tears. On the contrary, the government bandit-suppression soldiers always loot booth the rich and the poor and pressed them into army service. The lao pai hsing nickname them "government-bandit-soldiers." What is the difference between the "local Reds" and the "government soldiers"? Who are the friends of the lao pai hsing? The people ask among themselves.

On April 26, the government soldiers were surrounded by the Reds at Ban Chiao (Board Bridge), about 50 Chinese li from Loping, when they were fighting against them. Fortunately, they escaped under the cover of a heavy rain that night. During the time they waited for government reinforcements, the Reds attacked the city by surprise on the night of April 28. No sooner did the government troops save the hsien city than the Reds captured the city of Shytzung, about 120 li from Loping a few weeks later.

By planning to transport to Kunming the precious 4.000-odd taels of opium he had collected from the opium-planters in seven townlets and villages, the magistrate failed to prepare a defense for the city. The Reds entered the city of Shytzung without meeting any resistance and captured the magistrate, his opium, over 20,000 rounds of ammunition, over 100 rifles, more than 200 hand grenades, a light machine gun, a heavy machine gun, about 300 piculs of rice stored in the hsien barn and burnt all the official documents and charts from which the government collects the land taxes and "borrowing" rice. Three government trucks carrying rice to Kunming, parked outside the city, were also destroyed.

Release Magistrate

On their way to Luliang via Milo and Lusi, the Reds released the magistrate. However, he was dismissed from his position by order of the Provincial government on June 4.

At Ma Kai (Horse Street), more than 30 li from the city of Luliang, over 1.400 bandits commanded by Yang Tia-yuan, former Vice-Speaker of the Luliang Hsien Council, (see "A Trip In West Yunnan" in the issue of the *Review* on June 5, 1948.) joined the Reds. Meanwhile, they looted a good number of ox-carts carrying munitions from Luliang to Lusi for the 26th Division.

Prior to June 22, the Reds attacked the city of Chioupei and when government reinforcements were rushing to the spot, the Reds made a diversionary attack on the city of Kwanan hsien (situated on the border of Indo-China and Kwangsi) and occupied it by surprise at 2:00 p.m. on June 22.

It is understood that Kwanan hsien, planting opium every year, is noted for its rich and defensive power. In 1924, the local powerful militia furiously resisted Fan Shih-son, a warlord, who attacked Yunnan from Kwangsi and laid siege to Kwanan for 49 days but failed to get in. Why did the Reds enter Kwanan hsien this time? The Provincial Councillor from Kwanan, T'ang Sheng-shu, reported at the Resident Committee of Yunnan Council that the reason is that the magistrate. Wang Lun, a native of Kwanan, led all the militia in defending his home,

about 60 li from the city, but failed to fight against the Reds. Meanwhile, a number of students and the local Defense Corps of about 100 soldiers became the Reds' "comrades" and guided them into the city. Nine hundred cases of bullets, 500 cases of hand grenades, 200 cases of TNT and black powder, countless different bullets which had been left by the 51st and 52nd Armies since VJ Day and stored in Nan Hsien Park, 200 to 300 rifles and 200 or so machineguns fell into the Reds' hands. In addition, they destroyed the Hsien Yamen, Hsien KMT Office and Hsien Police Office; set free all the prisoners (80 new recruits); "borrowed" CNC$200,000,000,000 from the seven great Craesuses (T'ang is included) including materials or valuable things which they distributed to the poor; burnt all the government documents and charts; destroyed the heavy telegraphic machines, removed a transmitter and captured all the operators including the Director of the Kwanan Telegraph Office. Meanwhile, the telegraph wires leading to Fooling hsien near Kwanan were cut.

Reds Apologize

In the course of their five hours' occupation, the Reds' political directors apologized to the lao pai hsing for their sudden coming and emphasized that they only took the munitions and "borrowed" money from the rich for the poor.

They retreated at eight in the evening. Yang Tzen-liang, Chief of Hsi Shui Village and two other Pao Chia Chiefs led over two thousand local militia in carrying off rifles and machine guns and joined them. Military observers opine that their purpose was to join hands with the local Reds in Kwangsi and make contact with the Vietnam Government.

The Director of the Kwanan Telegraph Office was discharged by the Fifth Telegraph Administration in Kunming on the grounds of failing in his duty though he was released by the Reds.

The government troops are tired because of the Reds' hit-and-fly policy. It is quite possible that any city or any hsien could be captured because of the political corruption and the condition of the local militia in most hsien. However, it is too early to foresee the possible future development of their movement.

The authorities of all schools in Kunming have declared a summer vacation and ordered all students to return home either to their hsien or stay in Kunming in order to avoid further trouble. The lao pai hsing are worrying about the irate students joining the local Reds since they have many friends or schoolmates with them. It is commonly accepted that our government's policy of controling the students is quite foolish and contradictory. On the one hand, it has been suppressing the "Communists" but has made "Communists" on the other. Is it not a sufficient lesson to the government that hundreds or thousands of students of the middle schools in the south have become Reds?

In commemoration of Ling Tza-hsu, Governor of Canton and Kwangsi and the founder of opium-suppression during the Ch'ing Dynasty, the government not only usually has a grand meeting but also burns opium, smoking utensils and issues manifestoes and watchwords every June 3, on Opium-suppression Day. It is interesting to ask why opium is still not suppressed since Ling burnt the British opium at Canton in 1839, 109 years ago? It is of course partly because the government has only half a mind to do the work and partly because of the official corruption and inefficiency. Let us look at a few typical examples:

Opium Planted

Time and again, the Review's correspondent reports the story about opium-planting in west and south Yunnan. It is an open secret that in the 11 hsien in the east, except for the suburbs near the hsien cities, opium is openly planted on the condition that the officers get 40 percent and the opium-planters 60 percent of the opium crop.

In his interview with newsmen, the Special Commissioner in charge of Opium-Suppression in Yunnan and Kweichow made a beautiful "official remark" about opium-suppression in every aspect. Anyhow, he blackmailed a good number of gold tolas in his general inspection in south and west Yunnan.

Lee Syh-hiu, former magistrate of Anling and of Chiuching and the present magistrate of Shiuanwei hsien in the east, recently became involved in a row with another politician and in the exchange of accusations it was charged that he received a bribe of 150,000 silver dollars (about CNC$40,000,000,000 according to the rate at that time) from the opium-planters last winter.

Liu Chia-wai, provincial councillor from Shiuanwai and a veteran opium-bootlegger, made a detailed report concerning Lee's supposed corruption and requested Governor Lu to punish Lee lawfully in the plenary session of the Yunnan Council held in May. Lee, revenging himself on Liu for his attack, not only arrested his brother, Liu Rue-fong, the vice-Speaker of Shiuanwei Hsien Council and a heavy opium smoker, but also looted their licensed 16 guns and pistols, 300-odd gold tolas, more than 6,000 silver dollars, gold bracelets, opium and other valuable belongings. Meanwhile, Lee put the Chiefs of Education, and of Finance of the Hsien Government in jail since both are involved in the case. Lee judged Liu Rue-fong before a mass meeting" in Shiuanwei on the occasion of Opium-Suppression Day and jailed him.

It is said that Liu Chia-wai wanted the Yunnan People's Enterprise Corporation to prove that opium stored in his home in Shiuanwei is legal merchandise since he had bought it from the Corporation. (It is understood that part of the Corporation's funds are from opium). However, Liu was also arrested in Kunming at the request of Lee by order of the Provincial Government. The Resident Committee of Yunnan Council then discussed the case of arresting the councillor whether it infringes on the law or not but no result. The pao chia chiefs of Shiuanwei have denied that the Lius are not their representatives, either the provincial councillor or the Vice-Speaker of the Hsien Council. All the judges of the Shiuanwei Court accused Lee with a ten-point petition at the Yunnan High Court. They said Lee not only infringes on their judicial rights such as handling the civil suits and criminal cases but also has kept 270 prisoners in his Yamen instead of surrendering them to the Court. In addition, they detailed his alleged acts of corruption and claimed opium-suppression is only his window-dressing since Lee's secretary is a heavy opium-smoker.

In return, Lee claimed that the Court attacked him simply because it had received Liu's bribe. This is indeed a complicated story which has puzzled outsiders. Anyhow, the Provincial Government is now "checking" the case at the time of this writing.

All in all, the corrupt magistrate, the opium-bootleggers, opium-smokers and the bad judges, in the eyes of the lao pai hsing, are wicked and must be abolished if JUSTICE and LAW are to exist in China.

On June 10, a truck was carrying Chinese medicinal herbs in which more than 14,000 taels of opium (valued at CNC$30,000,000,000) had been hidden to send to Chungking for sale. With a special pass issued by the Kunming Court and another government organization, five armed men in a black jeep checked the truck at Yimen hsien, about 90 miles from Kunming. However, the owners were ordered to descend from the truck three miles from Kunming. Then the five men parked the truck at the Chung Yuan Motor Repair shop at Tai Ho Street and carried away all the herbs and opium. In order to avert the truth, the same truck was parked outside of the Court two days later. Meanwhile, Gau Pao-chung, Chief Clerk of the Court, asked the owners to sign their names on a "special document" in order to take back their truck. In conclusion, a woman by the name of Hsiou, one of the plotters, signed and got it back.

The government organizations that are responsible for checking on opium bootlegging have arrested one of the men.

In Yunnan, without exaggeration, all the different courts are the source of woes in the sea of corruption. Yuan Tien-tsai, Chief Prosecutor, Ma Ying-lung, Prosecutor, and six other judges of the Kunming Court are confined in prison on the grounds of corruption, blackmail and the above opium case. Kan Yuh-shu, Head of the Court, has escaped arrest by the circular order of the Central Government. We are watching and hoping for righteous and lawful punishment as well as a detailed report concerning opium to the public.

LESS TROUBLE IN PARADISE; PEACE RETURNS TO BALI

ANDREW ROTH

Den Passar, Bali.

WITH the surrender of upwards of six hundred youthful Republican guerillas here at the end of May and beginning of June the conflict between nationalism and colonialism in this tropical paradise has shifted almost completely from the military to the political field. These are the last of the poorly armed irregular groups which have been fighting hit-and-run warfare with the Dutch and pro-Dutch forces since the Dutch landing here in February 1946.

Strangely enough Bali, the world-renowned "peaceful isle," has been the last area in East Indonesia to settle down. Whether future political developments are peaceful on this idyllic isle depends—as in other parts of Dutch-occupied Indonesia—on the progress of Dutch-Republican negotiations in Batavia and the extent to which educated young nationalists are permitted to participate in the government of Bali along with the Rajahs who now predominate.

Bali is only a small island just east of Java with little more than a million population but its development has excited a considerable amount of interest. Not only is Bali world-renowned as a tropical paradise but now its leading people are playing an important role outside this isle. Both the President, Prince Sukawati, and the Premier, Anak Agung Gde Agung, of the State of East Indonesia — of which Bali is a part—are Balinese noblemen.

Hinduism Thrives

Although at one time most of Indonesia professed Hinduism, Islam supplanted it everywhere except Bali. Here, partly because it has been superimposed on a base of primitive Animism and deeply rooted in the villages it has thrived. And because Hindu rites have been handed down in *lontars*—little religious books written in Sanskritic writing on palm leafs—they have preserved their essential purity. Not only Hinduism, but also the Hindu epics and other aspects of culture derived from India thrive in Bali. Indian Consul-General N. Raghavan visiting here recently, attended a religious ceremony and later remarked that he thought for the moment he was in a temple in South India listening to a priest reciting the Muttras.

The peasants of Bali are probably the most artistic people in the East, surpassing even the people of Kashmir. Religious ceremonies are extremely attractive affairs with lines of well-built peasant women bearing artistically-decorated offerings to beautifully-carved temples.

It was the attraction of Bali's popular culture plus the scenic beauty of its rich terraced ricefields and the quaint notion of Balinese women that it is improper to bare the knees but fine to bare the breasts that made Bali a Mecca for tourists before the war.

Although the deeply-religious people of Bali accepted their Hinduism and Indian culture from the ancestors of the present Rajahs who brought them from Java, they have never fully accepted the material ambitions of the Rajahs who have long sought to destroy their village organizations. The peasants of Bali have been organized in self-sufficient, self-governing villages which have developed their resources well enough so that they have avoided the extremes of poverty one observes in most parts of Asia and have time enough to paint and carve artistically. They are undoubtedly helped considerably by the fact that Balinese soil is rich, its water adequate and there are no marked seasons so that rice can be planted at almost any time and yield two full crops annually. But it has only been possible to preserve the soil's fertility and regulate the water system by community planning centered in the village council. In Bali no one goes hungry because the village takes care of its needy. It is perhaps because of the democratic working and economic security of these villages that the Balinese impress one as being more relaxed and democratic and less servile than the other peoples of Indonesia.

Rajahs' US-Villages

When the great Hindu-Javanese dynasty of Madjapait was pushed out of Java in the fifteenth century by the Moslems and established itself here it began the first of a long series of attempts to destroy these self-governing village communes and place all political and economic power into the hands of the feudal dynasties it superimposed on Bali. The village communes resisted with some success. The Rajahs have remained a privileged caste apart as tax collectors, large landowners and leaders in religious and cultural affairs. But they have not been able to trespass very far on the village commune and the Balinese have remained small farmers working their own land or the land of others for a share of the crop. But the village communes have only been able to retain their position by constant battles. The conflict between the Rajahs and the villages is constant in Balinese life and an important factor in the current situation.

Since their return two years ago, the Dutch have considerably strengthened the position of the Rajahs. In the course of turning over power to the Indonesians the Dutch have made the Council of Rajahs the chief executive body. This contrasts with their earlier policy. Although the Dutch first discovered Bali in 1597 they were interested in good harbors and money-making spices and not tropical paradises so they left Bali alone until the end of the 19th century when they began annexing large chunks of the island, completing the job in 1906. The Rajahs who survived were all deposed and native regents were established who carried out the orders of the Dutch Controller who stood at his elbow.

Most impartial observers agree that the Dutch elimination of the power of the Rajahs was one of the two important good characteristics of their rule here. (The other is that they left the native culture undisturbed, even going so far as to limit greatly the activity of missionaries here.) Previously, for example, a Rajah could make any woman he wanted his concubine and if she refused, could kill her and her whole family. With the Dutch here that became impossible.

In 1938 the Dutch reversed their anti-Rajah position and restored the Rajahs to the thrones — but under Dutch control. This desire for an improved facade for Dutch control was largely dictated by the growing strength of the nationalist movement in Indonesia. It had very little influence then in Bali but the Dutch apparently thought preventive measures were in order.

War Speeds Nationalism

The war's impact speeded the maturing of nationalism in Bali as elsewhere in Indonesia. The Japanese did not bother the Balinese much because it was not important economically or strategically, but their propaganda about the superiority of Orientals and their sponsorship of collaborationist nationalists did stimulate nationalism's growth. President Sukarno—who is Balinese on his mother's side—came here to arouse political feeling and secure volunteers for the Japanese labor corps. Most of these died of ill-treatment. Ngurah Rai, a young Balinese who had served as an officer in the prewar Dutch forces, attempted to organize an anti-Japanese movement but was arrested at the end of the war.

The Japanese capitulation resulted in the assumption of administrative power by the Rajahs while the Japanese—on orders of the British command in Batavia—retained military and police authority. The youthful nationalists under the leadership of Ngurah Rai attempted to overpower the Japanese and seize their arms, but failed, and when the Dutch landed here in February 1946 they did not meet with any resistance. Most of the Rajahs greeted them joyfully, fearful that the youthful nationalists constituted a threat

to their vested interests.

After the landing, however, resistance was built up. The Dutch did a number of unpopular things including the redeeming of Japanese currency at only three percent of its face value and the use of the most notorious pro-Japanese collaborators to ferret out nationalists. Ngurah Rai returned from Java whither he had gone to plead for badly-needed military supplies and trained assistants, and led the nationalist guerilla bands skillfully in raids from their mountain hideouts. He had bad luck in supplies because in July 1946 about three hundred men with considerable equipment landed from Java but ran into Dutch patrols right on the beach and lost most of their supplies.

The military resistance never was a largescale affair. Ngurah Rai's main group had under a thousand members and there were a number of other smaller bands. There were arms only for a fraction of these and he had to ask a number of unarmed volunteers to go home.

Resistance Deteriorates

The death of Ngurah Rai in a clash in November 1946 led to a deterioration in the quality of resistance. Most of his followers were very young. Some were simple nationalists, some socialists, some were against their local Rajahs, some were Jap-trained anti-white chauvinists, some adventurers. The Dutch imposed extremely harsh penalties on villages which gave them aid. Some resistance leaders—particularly the Jap-trained—favored using counter-terror to secure food for the resistance and to frighten people against cooperating with the Dutch. After Ngurah Rai's death and the split-up of his main band some of these terrorist elements gained the upper hand in some bands.

Many of the young men gave themselves up—although it meant imprisonment—when they saw what a burden the resistance was putting on the people of Bali and that the State of East Indonesia—of which Bali is a part—has gained considerable rights of self-government. This movement was accelerated when East Indonesia sent an official "Goodwill Mission" to the Republic and when President Sukarno indicated that the Republic of Indonesia no longer considers Dutch-established East Indonesia to be a puppet state. The present mass surrender was under the terms of a Dutch offer that if all the resistants turned themselves in with their arms they would not be prosecuted for armed resistance but only for individual crimes.

Leadership has now passed completely into the hands of the political nationalists, who already have some say. Three of Bali's six representatives in the East Indonesian parliament are outspoken nationalists. There is also a substantial body of nationalist opinion in the lower house of the local assembly. Although not as powerful, this body is expected to clash with the Council of Rajahs which has been given predominant power by the Dutch.

FOLLOW DEVELOPMENTS IN CHINA. . . .

By Subscribing to:—

China Weekly Review

•

China Economist

•

Daily Translation Service

•

Monthly Report

MILLARD PUBLISHING CO.
160, Chung Cheng Road,
Shanghai

大通國際商業銀行

THE CHASE BANK

Affiliated With

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Shanghai Office:

99 Nanking Road (O) Telephone 11440

Branches:

HONGKONG ◁▷ TIENTSIN ◁▷ PARIS

With Compliments

雅 新

SUN YA

TELEPHONE 90080
719 NANKING ROAD

•

Shanghai's Most Popular
CHINESE RESTAURANT

•

ENGLISH SPOKEN

Keep Abreast Of Events...
Subscribe To

THE CHINA WEEKLY REVIEW

The leading English-language weekly in the Orient since 1917. Independent editorials coupled with a wide variety of articles from *Review* correspondents today keep the Review ahead—both in reader-interest and circulation.

Fill in the blank below today.

THE CHINA WEEKLY REVIEW,
160 Chung Cheng Road,
Shanghai (O), China.

Please enroll me as a subscriber for

.....months, for which I am remitting

..... herewith.

Name: .....

Street: .....

City: .....

(See subscription rates below Index)

The Week's Business

THE week ending July 28 again was "erratic," "irregular," with prices going up and down, securities losing and gaining tremendously, the money market being very tight at the beginning and rather easy at the end under review. When on Monday, July 26, commodity prices dropped and shares showed enormous losses, some super-optimists already saw the Government mastering the money inflation; the Government's announcement that private assets abroad may soon be used for free imports and its other announcement that Overseas Chinese remittances will be accepted in the form of goods, they believed this was enough to have done the trick.

Unfortunately, the super-optimists had to wait only till Tuesday afternoon to grasp the fact that their hopes had been rather unfounded. Stocks regained part of their losses, money became easier and news to the effect that whatever goods Overseas Chinese will be permitted to ship to China will be directed not into the hands of the remittees but to the omnipotent Central Trust made people understand that by no means had bureaucratic interference found the beginning of its end.

The disappointment no doubt was general. Chinese businessmen indeed had been under the impression that when Roger D. Lapham, director of the US China aid mission had asked for "a determined all-out effort by the Chinese to help themselves," such a demand had prompted the Government to do something unexpected and to limit the potentialities of the bureaucracy. So much greater was their disappointment when further news clearly indicated the contrary.

Business quarters also were impressed when during the week under review they learned that black exchange rates had lost drastically. Although the difference between legal rates and black quotations still were quite considerable they had a feeling that the tide was changing. They believed that through some particularly clever activities, the Central Bank had managed to defeat the black market on its own ground and with its own weapons. Toward the end of the week under review they understood that in this respect, too, they had been too optimistic.

Yet, some improvements were observed on both the wholesale and retail market. The very fact that foodstuff prices did not increase and in some lines even decreased could be considered a favorable symptom. It remains to be seen, however, whether the tide will change again. Most businessmen are afraid it will.

On Wednesday, July 28, last day of the week under review, businessmen realized that the optimists had been wrong and the pessimists very correct indeed. Step by step commodity prices went up and with the money market becoming much easier than at the beginning of the week, dealers were both able and willing to buy. Money was easier, partly because banks had found ways to lend out funds, partly because some funds which had been expected to arrive much earlier turned up on the market last Tuesday. This, at least, was one of the explanations to be heard on the market when the open market interest rate came down to around 45 percent per month from more than 70 percent the week before.

Operators on the Stock Exchange, too, gladly watched shares regaining at least part of their losses. As can be seen from the table below, some losses were not yet regained fully, but the very fact that quotations increased instead of declining, as was generally expected, actually amazed quite a few brokers.

Meanwhile, the many uncertainties regarding future import possibilities —by using funds abroad and by receiving cargo from abroad instead of remittances—resulted in slow business on the Exchange Certificate market. After it had reached more than four million at the beginning of the week, the Certificate rate, last Wednesday, came down to $3,900,000.

Quotations

Stock	July 21 CNC$	July 28 CNC$
Wing On Textile	11,440	11,450
Mayar Silk	598	505
Commercial Press	4,140	3,700
Wing On Co.	3,250	2,850
Ewo Cotton	—	—
Bond C	1,010,000	980,000

Commodity	July 21 CNC$ (000 omitted)	July 28 CNC$ (000 omitted)
Wheat Flour	11,300	10,700
White Rice, first	37,000	37,000
Peanut Oil	102,000	95,000
Raw Silk "C"	2,150,000	2,180,000
Jap. Rayon	2,052,000	2,281,000
Cot. Yn. (42)	1,700,000	1,800,000
Cot. Yn. (20)	1,150,000	1,370,000
Koo Ban Soap	75,000	75,000

US Magazine Roundup

US News & World Report

"PRESIDENT Chiang Kai-shek's control over Nationalist China is slipping," declares *US News & World Report* magazine for June 11, 1948, in its report from Nanking and Shanghai entitled "Decline of Chiang Kai-shek." "The 60-year-old Generalissimo," the report continues, "is shaking up his Cabinet, putting compromise candidates in influential positions and calling for a general cleanup of the Nationalist Government and Army. But trained observers in China say the changes may be coming too late to hold the present Nanking Government together.

"There is a feeling that China, as a united country, is beginning to disintegrate. Dissatisfaction with the Government and troubles within the Generalissimo's own Kuomintang Party are whittling away at his influence....In the past, Chiang Kai-shek always has been held up as a man without fault, while the people around him were blamed for China's plight. Now he must fight to get his way and, in the case of the National Assembly, he was unable to control his party despite his personal intervention.

"A crumbling of Nationalist China at the edges is another threat to Chiang's complete control. Communist successes in Manchuria and other areas in the North have taken away vast stretches of valuable territory once ruled by the Nationalists. Now warlords, returning to power, are sapping Nationalist strength in provinces remote from Nanking. In the Northwest, territories not occupied by the Communists are being operated practically as independent states under the rule of two warlords—General Ma Hung-kwei, who is backed by a personal army of 70,000, is in control of Ningsia Province and General Ma Pu-fang controls Chinghai Province. Neither of these generals takes any active part in the civil war against the Communists, even though it is being fought in neighboring regions. Many people in Nanking suspect the two warlords have entered into an informal 'mutual nonaggression' deal with the Communists."

The same situation of more or less independent rule holds true in other provinces of the North, the report continues. General Yen Hsi-shan reigns in Shansi, General Fu Tso-yi in Chahar and Suiyan, and in the West, "particularly the important province of Sinkiang, warlords are beginning to assert their own authority, too. In still other provinces, Chiang's control is being challenged. Local officials are refusing to comply with Nationalist tax laws. Rice levies, made in Nanking, are cut down or ignored. So are conscription orders intended to keep recruits coming in for the Nationalist Army.

"Chiang's power stems largely from his ability to maintain a delicate balance among the rival groups that make up the KMT Party. Changes he is making now are all part of that battle to keep things in balance and prevent a political blowup....The outlook for Chiang is that he soon may find the China he rules reduced in size and harder to manage. But more dollar aid is arriving from the US. It is intended to buy time for Chiang so that he can stabilize the country. More time may make it possible for him to pull China together for a united stand against the Communists."

* * *

Fortune

FORTUNE magazine for June 1948 contains a "Report From Singapore" written by Gilbert Burck which, though written before the recent outbreak of violence in Malaya, throws some light on the sources of the present disturbance.

"No colonial area anywhere is more dependent on another country than Malaya on the US." Mr. Burck states. "There is also no colonial area on which the US is more dependent. Malaya is the source of more than half the world's natural rubber and 30 percent of its tin. Largely owing to these (and rubber is by far the more important) its 5,500,000 people normally showed an export-import volume vastly greater than the 60 million people of rich Indonesia. Malaya, it is said, has more natural wealth per capita than any other area in the world. But without the US this wealth means little, for the US normally buys two-thirds of Malaya's rubber and tin. And the dominant fact about the Malayan economy today is the low price of rubber as against the cruelly high price of rice, the staple of all East Asia. Because of the price of rice, labor is three times as expensive as it was. Because labor is, so is everything else...."

"The nine-sultan, one-crown-colony arrangement in Malaya, nobody denies, had many and obvious faults. What made it nearly untenable was the rise, or rather the increase, of the Chinese. Singapore had always been and is about 80 percent Chinese; Chinese traders flocked to this British-protected center of free trade from the time it was founded. When the tin mines and rubber plantations were opened up, hundreds of thousands of Chinese coolies were imported to work them, while the independent, carefree Malays stuck to farming and fishing. Thousands of Tamils came down from India. As easily as 1931, therefore, the Malays themselves accounted for only 45 percent of the Malayan population. The Chinese accounted for 39 percent and the Indians for the rest. But the Malays, outside Singapore, were the chosen race. In practice they alone were entitled to hold higher civil-service jobs and enjoy most of the other rights of citizenship.

"The explosive properties of this unstable racial compound lay unprovoked until the great American depression, which among other things cut Malaya's exports by more than half. The Chinese leaders began to stir. They denounced the sultans as British stooges, noted that all the Malays in Malaya had not so long ago emigrated from Java and Sumatra, and asked that other Malayans be put on the same basis as Malays. ('Malay' designates the race; 'Malayan,' any domiciled inhabitant of Malaya.) Since most trade and the rubber and tin industries depended on the Chinese, their complaints were hard to overlook, and the government's pro-Malay bias was hard to justify....

"One does not have to be Moscow-trained to perceive the opportunities in the situation . . . Two big organizations are devoting themselves to making the most of these. Both have been authoritatively described as controlled mainly by the Chinese Communist party, and both certainly use familiar united-front techniques. One is the All-Malayan Council of Joint Action, a coalition of Chinese, Indian, and Eurasian parties. The other is an outfit artfully named *Pusat Tenaga Ra'yat*, or Peoples' United Front 'representing' the Malays. (The few politically-minded Malays are well represented by the biggest party in Malaya, the United Malays National Organization, and show little desire to switch.)

"These two outfits are noisily denouncing the new constitution as a device to perpetuate the colonial status of Malaya....They demand a new constitution. They want to unify Malaya and Singapore, create a Malayan nationality for all who make Malaya their permanent home, install universal sufferage, and otherwise give Malaya near-dominion status. It is a sage, deft program. It is, indeed, mostly the avowed *eventual* goal of the British who thus find themselves in the awkward position of promising the people tomorrow substantially what the leftist Chinese politicians ask for today.

"The British argument, the old British argument, is that backward peoples cannot be given autonomy overnight. One of the most frequent and plausible counterarguments is that natives are educated toward self-government too slowly....But it is worth noting that the average run of natives has acquired at least one mental habit, one illusion, of Western civilization. He has learned to assume that anything imperfect has a perfect alternative—that for anything as bad as the British rule there must be something much better around the corner...."

NEWS OF THE WEEK

Self-Confidence Stressed by G'mo; Wallace Offers "Real Peace Plan"

PRELIMINARY preparations are being made by leaders of the Kuomintang to hold a caucus to map out reforms within the party. Speaking before a rally of 400 top government officials and Kuomintang members of the Control and the Legislative Yuan, President Chiang Kai-shek said that China's main trouble now is that some Kuomintang members who are influenced by Communist propaganda and who do not have a clear appreciation of the situation have lost their self-confidence, thereby creating a feeling of insecurity in the hearts of the people and in society. The important thing, according to the President, is for Kuomintang members to have self-confidence and practise self-criticism.

Reviewing the general domestic situation, President Chiang said it remains unchanged as compared with what it was three months ago. He said, "Although prices have risen our fapi specie support remains the same. Though we have lost battles, new armies are in the making."

Meanwhile, top Kuomintang officials met in Nanking to exchange views on a reform program designed to inject new political strength into the party to enable it to cope with the Communist menace. At a forum meeting at party headquarters on the morning of July 26, preliminary discussions were held on the reform program drafted by acting Secretary-General Hung Lan-yu of the Central Political Council. While plans for the reform are said to be still in the blueprint stage, it is understood that efforts to revitalize the Kuomintang will be concentrated mainly on strengthening the organization, upholding discipline and intensifying political activities.

In response to President Chiang Kai-shek's appeal to leaders of the Kuomintang to state their views regarding the reform program, one Kuomintang member of the Legislative Yuan is reported to have criticized the "bilateral corruption" evident in the Government, supporting his criticisms with the allegation that "deceptive figures" may have been discovered in the National budget as it came under the scrutiny of the Legislative Yuan. "Without a general reform, in the party's political and military affairs," he added, "it will be impossible to avert a crisis."

* * *

Premier Speaks Out

BREAKING his long and significant silence on the price situation, Premier Wong Wen-hao pointed out that there were many factors causing the price spiral, but the basic reason was the current inflation which in turn was brought about by the uncontrolled spending of the Government. He further stressed that in order to defeat the Communists, China's economic situation must be stabilized and social order upheld. But he failed to say how this was to be accomplished.

He said that China was deriving great benefit from United States aid in the form of supplies and loans, but declared that the efficacy of outside aid depended on the extent to which the country could work toward self-help. He warned that the inability of the country to help itself will automatically reduce the effectiveness of US aid.

Launching bitter attacks on the Communists, Premier Wong denounced international communism as a destructive force seeking to sabotage political democracy and civil liberties in all countries and charged that Chinese Communists were operating under the disguise of a political party in order to bring about China's national disintegration for purposes identical with those Communist parties in other countries.

In spite of Wong's talk about curbing inflation and stabilizing China's economic situation, the Legislative Yuan was not satisfied. Winding up its business of the current session, it adopted a resolution demanding Wong to present an effective program of anti-inflation measures within the next two months and threatening to overthrow his cabinet if it failed to act accordingly. The resolution topped three weeks of deliberations on the six-month national budget, which had kept the Yuan from going into summer recess two days overdue.

* * *

More Smoke Than Fire

THE recent circulation of peace rumors in Peiping, it would appear, has produced more smoke than fire. Vice President Li Tsung-jen told the *Associated Press*: "There is no substance whatever to the rumor. It is unreasonable for anyone to believe it. There is no basis for talk with the Communists."

In Nanking, a Government spokesman dismissed such rumors as part of Communist propaganda to create confusion in the Government. According to *UP*, most qualified observers in Peiping discredited the peace rumors at this time on the grounds that the Nationalists are not in a strong enough position in North China to get acceptable terms from the Communists. However, it is interesting to note such rumors have aroused widespread speculation. Informed quarters are generally agreed that if talks between the Nationalists and Communists were held in Peiping they did not represent anything significant. They contend that such talks must have been carried on without Chiang Kai-shek's knowledge and probably without sizable backing from any really important Nanking officials.

Such mediation talks on the part of individuals, it was pointed out, probably were not uncommon. It is generally known that last September in Peiping a large plot was nipped in the bud by the authorities whereby certain elements were trying to weld a united front of north China generals to revolt against Chiang Kai-shek and force negotiations for a coalition government.

* * *

Wallace Or War

THE Progressive Party nominated Henry Wallace and Senator Glen Taylor as its candidates to run for the presidency and vice presidency respectively. The party adopted a "real peace" platform based on peace negotiations with Russia, outlawing of the atomic bomb, prompt conclusion of the Japanese and German peace treaties, withdrawal of occupation troops from Germany, Japan and Korea, withdrawal of United States support from Generalissimo Chiang Kai-shek and repeal of the Bell trade act relating to the Philippines.

On the question of Sino-American relations, the Progressive Party said: "The party supports the struggle of the people of Asia to renounce and to move from feudalism into the modern era. We condemn the bipartisan policy of military and economic intervention to crush these people's movements. World peace and prosperity cannot be attained unless the people of China, Indonesia, Indo-China, Malaya and other Asiatic lands win their struggle for independence and take their place as equals in the family of nations. We call for the immediate withdrawal of American troops and abandonment of bases in China. We demand cessation of financial and military aid to the Chiang Kai-shek dictatorship. We follow the policy of Franklin Roosevelt in the creation of a democratic coalition government in China. We urge for the granting of large scale economic assistance to such a government."

Delivering the keynote address at the party convention, a Negro publisher, Charles P. Howard, told the world that "the choice is Wallace or war." He said among other things: "What's at stake is the very survival of civilization. Our crisis can be solved only at the conference table and never on the battlefield."

Bitterly attacking the Republican and Democratic parties, Howard said the United States had a reservoir of goodwill all over the world at the end of the war but, "three years of Truman and Dulles have drained it

dry . . . In Burma and in Africa, in the hills of Greece and the streets of Jerusalem, the name of the United States is spoken now in accusation and anger . . ."

In his speech accepting the nomination, Wallace said: "The late President Roosevelt looked beyond the horizon and gave us a vision of peace," but after Roosevelt's death "came the greatest betrayal. Instead of the dream we have inherited disillusion . . . And what do we have of all our hoping, what fruits of the hard won victory? Not peace, but the sword. . . not life, but tens of thousands of deaths, and uncessary battlefields in Greece, in Palestine, in China. One world, yes —frozen in one fear."

Wallace said that if Roosevelt still were alive "there would be no crisis in Berlin." He said also that "if I were president there would be no crisis in Berlin."

Wallace said he renounced "the support of those who practise hate and preach prejudice, or those who would limit the civil rights of others, or those who advocate force and violence." At the same time he "welcomed the support" of those who favor the program for peace "outlined by the Progressive Party—the support of all those who truly believe in democracy."

* * *

Congress Meets

PRESIDENT Truman's action in calling an emergency session of the US Congress to consider domestic issues was bitterly resented by Republican leaders. It is reported that Truman is going to ask for a meat ration and limited price control. House Republican leader Charles Halleck said that Truman's summons to Congress was no more than a move to recover his lost political prestige. Senator Kenneth Wherry said the Southerners might move to adjourn immediately but he doubted the Republican majority would support it.

According to *UP*, the session begins in an atmosphere of bitterness such as often marked the relationship of Congress with the late President Roosevelt. Truman has called this Republican-controlled Congress the worst in history or near it. The Republicans charge that Truman was playing cheap politics in calling Congress back as the presidential campaign begins. Politics or no politics, some Democrats believe the special session call may be the wisest political move Truman has ever made. Democrats and Republicans recognize high prices as the best issue Truman has in his campaign against Republican nominee Thomas Dewey. The emergency session call has been followed by unchallenged official reports that retail and wholesale prices on some basic food items have hit an all-time high. It is generally felt that President Truman will make a long step toward a November victory if the Democrats can pin the responsibility for this on the Republicans during the congressional battle.

In order not to commit himself on anything regarding the price problem, Thomas Dewey, Republican presidential candidate, was reported to have decided to remain completely in the background during the special session of Congress.

* * *

Red-Baiting

FOLLOWING the arrest of a group of leaders of the US Communist Party, witch-hunting against Communists and Communist agents in the United States has become widespread. Even the personnel of the United Nations fell under suspicion. Robert C. Alexander, assistant chief of the State Department's visa division and R. Clyde Larkin, head of the visa division's security unit, informed the Senate judiciary subcommittee on immigration and naturalization that "subversive agents of foreign powers" managed to get into the United States through the United Nations. They said the Government is powerless to do anything about it. To their best knowledge, these foreign agents, they charged, are roaming around the country and no Government agency—not even the FBI—is trying to keep a check on them.

Top officials and the 3,000-person staff of the United Nations complained they had been "shocked and slandered" by Alexander's charges. Acting Secretary-General Victor Hoo and a staff committee representing all personnel said they were glad that Secretary of State Marshall had "personally disavowed" charges made by some of his subordinates. Hoo said: "We all were greatly shocked to discover that we were suspected as spies. Of course it has some effect on morale here."

SHANGHAI POWER COMPANY

First Mortgage Debentures, 5½% Dollar Series due 1973.

NOTICE is hereby given that the Transfer Books of the above Debentures will be closed from August 1 to August 10, 1948, both days inclusive, for the preparation of interest checks.

THE NATIONAL CITY BANK OF NEW YORK,

Shanghai Branch,
41, Kiukiang Road,
Registrar and Transfer Agent.

TRANS-PACIFIC Service:

	Sailing for S.F.	*Via*	
ss. General Gordon	Aug. 4	Yokohama	& Honolulu
ss. Pres. Cleveland	Aug. 4	Hongkong,	Manila & Honolulu
ss. General Meigs	Aug. 18	Hongkong,	Manila, Iloilo, Guam & Honolulu
ss. Pres. Wilson	Sept. 7	Yokohama	& Honolulu
ss. General Gordon	Sept. 22	Yokohama	& Honolulu
ss. Pres. Cleveland	Sept. 29	Hongkong,	Manila & Honolulu

Round-The-World FREIGHT and PASSENGER SERVICE

Sailing for NEW YORK and BOSTON via Hongkong, Manila, Singapore, Penang, Colombo, Bombay, Port Said, Alexandria, Naples, Genoa and Marseilles.

PRES. MONROE	Aug. 14
LOUIS McH. HOWE	Aug. 23
PRES. POLK	Sept. 4

AMERICAN PRESIDENT LINES

51 Kwang Tung (Canton) Road Telephone 15309

What US Papers Say

THE situation in China, both military and political, was viewed gravely by last week's US press. The present Berlin impasse and President Truman's recall of Congress were additional topics of interest discussed recently in US papers.

* * *

China Situation

NEWSPAPERS in widely separated parts of the United States recently have editorialized with critical gravity on developments in China, with particular reference to the progress of China's Civil War, and Government suppression of the independent Nanking newspaper *Hsin Min Pao.*

The *Birmingham* (Alabama) *Age-Herald* said in part: "Things are growing worse in China. Ills and faults are being allowed to accumulate; the Nationalists are becoming more touchy. Their negative policy is forcing the Government to retrench more and more."

The *Age-Herald* took note of the recent Communist offensives in Central and Northwest China and criticized the action against the *Hsin Min Pao.* The editorial continued: "Recently some American students of China have emphasized that it was high time the US Government reconsidered its Chinese policy . . . Chiang and others seem inclined to accept American support in the spirit that it is 'due' them regardless of the state of affairs in their own Government."

The *St. Louis Post-Dispatch*: "The Chinese Government's suspension of the *Hsin Min Pao*, one of the country's leading independent dailies, is the sort of thing that creates dismay and confusion among friends of democracy. Here is a Government to which the United States has just voted millions of dollars in new aid, acting in as undemocratic and oppressive a manner as dictator Peron of Argentina—yet when Peron does it we criticize him for it."

The *San Francisco Chronicle*: "If China is ever to develop toward greater democracy, one of the signs will be greater freedom of the press. This freedom does not exist today under a law which forbids publication of news considered detrimental to the 'interests of the republic.' The interests of the republic are in reality construed as the interests of the Kuomintang . . . That the law may apply, we cannot at this distance deny. But we repeat that it is so broad as to foreclose criticism in any degree.

"Recognizing the right of a Government in trouble to defend itself against overthrow, we can only regret that the Chinese Government makes no distinction between independent criticism and subversive activities. It is, in fact, a distinction which the American people themselves have trouble enough making, but the trouble is supremely worth taking."

* * *

Berlin Blockade

THE Soviet answer to the US note requesting an end to the Russian land blockade of supply lines to the Western sectors of Berlin has evoked widespread editorial comment in the US press, most papers strongly supporting the official US position.

The *Washington Star* said in part: "The Soviet reply to our note protesting the blockade of Berlin makes one thing clear. Their previous contention that 'technical difficulties' necessitated the closing of the rail line was false. The blockade is a political device, and the Russians have now made it abundantly evident that their purpose is to chase the Western powers out of the former German capital. Our Government, along with the French and British, is not going to be chased. We have asserted our intention to stay in Berlin, and it is both right and necessary that we do so."

The *New York Times:* "The Soviet reply disdains to resort any longer to the subterfuge that Russian interference with Western communication lines is due to 'technical difficulties,' and frankly and formally asserts, in contravention to the four-power occupation agreement, that Berlin is part of the Russian occupation zone; that the right of the Western powers to participate in its occupation has become 'null and void,' and that so far as Russia is concerned their further stay in the German capital will depend on their acceptance of the settlement of the whole German question on Russian terms . . .

"The Russian contention is that the Western powers have forfeited their right to a joint occupation of Berlin, because, by trying to establish a government in Western Germany and introducing a new currency, they are 'dismembering' Germany, and are thereby violating the Yalta and Potsdam agreements. But whatever may be said about the wisdom of some of the Western measures, it is a matter of record that the Western powers undertook these measures only because Russia itself refused to carry out the Yalta and Potsdam agreements and thereby created a desperate situation in Western Germany which demanded urgent remedies."

The *Hartford* (Connecticut) *Courant*: "One must always read Russia's motives in its actions rather than in the text of its notes. This latest move indicates that the Soviet objective continues as before. If it cannot take over all Germany, including the productive Ruhr, it will try to keep Europe embroiled enough to stop the reconstruction promised by the Marshall Plan. It does no good to argue with the Russians, still less to go on in endless retreat from concession to concession. There is little else to do but go on as before, trying against odds to rebuild Western Europe through ERP, while holding on in Berlin and elsewhere as best we can."

The *Oakland* (California) *Tribune*: "The United States and the other powers are in Germany and in Berlin as the result of the surrender of the Nazi armies and of agreements made among the victors. Our armies and those of the British had penetrated deep into Germany, but they were withdrawn to the present areas of occupation when the Allied agreements went into effect. Certainly these forces would not have been puiled back if there had been any doubt of the right of free access to Berlin. This right was even agreed to by Stalin in a reply to suggestions made by the President of the United States. Capitulation in Berlin would, in effect, constitute another Munich."

* * *

Congress Reconvenes

THE US press was generally critical of President Truman's action in calling upon Congress to reconvene on July 26. Editorial reaction by and large attributes the extra session call to domestic politics and is skeptical that results will be worthwhile. Typical of such comment was the following editorial in the *New York Herald Tribune*, which said:

"Calling for a special session of Congress, Truman has laid down a challenge to the Republican leadership. It is not a fair challenge. The manner in which it was done was unbecoming to a President of the United States, and the obstacles which confront the Republicans in meeting it under present circumstances are very great . . .

"Nevertheless, it would be a mistake, in this newspaper's opinion, if the Republicans in Congress replied to the President's challenge in the spirit in which it was offered. It would be bad for the party and for the nation to use the Congressional power as Truman used his presidential power, bad to adjourn the session as soon as the formal requirements of the President's call had been fulfilled, or permit it to bog down in a Democratic Party dogfight over civil rights. Many Republicans, including this newspaper, were uneasy over weak spots in the record of the 80th Congress; although they would have preferred that the unfinished business (once the emergency needs of national security had been met) should be dealt with by a new, vigorous Administration, they will regard the special session as an opportunity which must not be missed. And the country at large will consider a substantial measure of achievement in the session as the only valid answer to Truman."

What Chinese Papers Say

CHINA'S concern over the development of Japan and her possible future aggressiveness was a chief topic of Chinese editorials last week. Other issues discussed were the growth of communism abroad and the new large-denomination CNC notes.

* * *

US-Japanese Policy

DESPITE repeated assurances from Washington and SCAP sources in Tokyo, the Chinese press continued to reflect the growing concern among the Chinese public over the possible resurgence of Japan as an aggressive power.

Ta Kung Pao, which had been most outspoken in its criticism of the American policy in Japan, last week came out with a definite and serious charge that the United States and Japan both do not want an early peace conference and that the United States is "going to help Japan to recover before the peace conference meets and Japan will avail herself of this opportunity of rebuilding her empire."

The editorial was based on two *Central News Agency* dispatches from Tokyo. One quoted a Japanese *Kyodo News Agency* editorial comment saying "the present world situation still indicates no solution to remove the technical handicap which has hitherto rendered abortive all efforts for an early convention of the peace conference." The dispatch also said Kyodo suggested Far Eastern nations should cooperate economically with Japan.

Ta Kung Pao said: "China has expressed hope that a Japanese peace treaty can be brought about at an early date, but the United States has not responded, which actually means that she opposes the early conclusion of a peace with Japan. Now, Japan has supported the US stand, while other nations have not yet made known their respective stands in a very vigorous manner. We must point out that it is still very hard to tell what the future has in store for the peace conference. The United States is going to help Japan to recover before the peace conference meets, and Japan will avail herself of this opportunity. The United States and Japan do not want an early peace conference as obviously there is a community of interest between them . . ."

The other *Central News* dispatch quoted was one from Tokyo dated July 19 which stated, "There is a strong possibility that due to the resurgence of ultra-nationalism, the Allied effort to democratize Japan may prove a failure."

The paper said: "The (attempted) assassination of Kyuichi Tokuda, Japanese Communist leader, can be looked upon as the beginning of the resumption of activities by the Japanese fascists. This assassination (attempt) has the same meaning as the prewar assassinations, such as the Blood League and the Divine Army incidents. Japanese politics remain undemocratic; the Japanese nation remains barbarous and warlike; the Japanese Emperor remains a 'deity' and the aggressive forces in the country remain deeply rooted.

"Since the United States is helping Japan to revive her industries under such political conditions, the industrial power, when revived, will naturally fall into the hands of the warlike elements and will doubtless be used as capital for the next world war. This is very clear.

"What type of industries is the United States helping Japan to revive? They are (1) the 70 percent of all the equipment of the Army and Navy war factories which have not been designated as reparations and which both the Strike and Draper programs recommend should be preserved: (2) of the 30 percent of the war factories which have been designated as reparations, all the privately owned ones will not be dismantled and removed . . . In this way, almost all the war factories of Japan have been preserved. What is this for? Peace or war? . . .

"We have already heard Japan's opposition to an early convention of the peace conference, and America's silence means opposition. The current situation is like this: The United States will positively help Japan to recover regardless of consequences, and Japanese militarism is rapidly resurging without apprehension. What shall we do?"

* * *

Communist Issues

COMMUNIST issues abroad—the arrest of American Red leaders and the Tito-Cominform quarrel in Yugoslavia—were also subjects of Chinese editorial comments during the week.

The Kuomintang Army organ *Ho Ping Jih Pao* said: "The Communist problem is a world problem, and certainly the Communists create disturbances not just in a few countries. Therefore, it is necessary for every country to punish the Communists, as evidenced by the arrest of Foster, chairman of the American Communist Party and other American Communist leaders.

"No doubt, the U.S. is a typical democratic nation, where the people enjoy full freedom and where safeguarding of the people's freedom is clearly provided for in the law. However, in a democratic country law and order must be maintained, and certainly no one is allowed to rebel against the State. Owing to the fact that the American Communist Party has become what it was in the days of the Third International since the end of the war, and to the strained relations between the U.S. and Soviet Russia, the general activities of that party have aroused intense hatred in the U.S. where the democratic atmosphere is so strong. It has been unanimously demanded by the American people that treasonable activities of the Communists should not be protected by law. The arrest of the American Communist leaders has convinced us more strongly than ever that the world Communist problem must be solved by forcible means, and has naturally strengthened our faith in the ultimate success of our Communist-suppression campaign."

The official *Chung Yang Jih Pao*, commenting on the Tito-Cominform dispute, had a good word for the Yugoslavs whose guerillas during the war "gallantly resisted Nazi aggression. Such a people, even if they sincerely desire to practice Socialism, would certainly be unwilling to sacrifice their future and independence of their nation, and to become a satellite of some other nation. Therefore, it is only natural that the resistance to Soviet nationalism should have started in Yugoslavia.

"Anyhow, we do not believe that everyone who believes in Communism loves not his Fatherland and is willing to serve as a fifth columnist. As a matter of fact, in the Kremlin, those who talk aloud about internationalism and world revolution still have the interests of their own country and people uppermost in their hearts in everything, and want others to sacrifice their national interests. The Yugoslav people cannot tolerate this any longer. It is hoped that the nationalist elements among the Chinese Communists will not lag behind the Yugoslav Communists in this respect, and that they will resolutely free themselves from the shackles of being fifth columnists and return to the arms of their Fatherland."

* * *

Large Notes

ON July 20, virtually all Chinese papers in Shanghai commented on one subject—the issuance of the large denomination notes. While all followed the theme of advising the Government to combat the economic crisis and to enforce a strict retrenchment policy in order to freeze the amount of notes now in circulation, the Kuomintang-controlled *Chen Yien Pao* flayed the authorities for their repeated denials prior to the appearance of the new "big notes."

The paper said: "To be frank and to have a sense of responsibility—this is the minimum requirement which a government responsible to the people must be able to meet and the minimum qualification it should have. The fact that the Government has been unable to meet this requirement and that it has not had this qualification is responsible to a certain extent for the fact that the political situation in China has come to such a pass and that there is such a lack of confidence in the Government on the part of the people."

The Review's English Lesson—XLII

WE give below the correct definitions of the words and expressions which you were to translate last week, and also the sentences into which they were to be inserted:

1) plank—one of the articles in the declared policies of a political party. The platform of a party is a declaration of its policies. As a platform is a stage or floor on which a speaker stands, a party platform figuratively means a foundation or basis on which a party stands or relies. To carry the figure of speech further, a plank or board is part of a platform and consequently here means one part of the party's program.
2) touch off—to release an explosive force by touching with fire.
3) element—an ingredient or essential part of something.
4) high-echelon—a military term meaning troops or divisions so drawn up that each unit is parallel to the others, but like steps, each is a little to the right or left of the one behind; a high-echelon means the leading division which is in advance of the others. Hence "high echelon" in any other context means high ranking or leading members of an organization.
5) beat their brains out—puzzle over, search their minds for a solution. One meaning of "beat" is to strike the bushes to rouse animals when hunting and the expression similarly means to agitate the mind to rouse ideas.
6) platform—see number 1) above.
7) close-up—an expression used in photography to mean a picture of a person or part of a scene taken with the camera at closer range than it is to the main part of the motion picture; hence, a close view.

* * *

Frequently events and situations have become so identified with certain proper names in English that these occurrences have become synonymous with the names, or the names are commonly used to denote the situation. Here are some examples:

gerrymander—an unfair or unnatural division of territory into districts, especially to give advantage to one political party; or, a manipulation of facts to gain an advantage. The term originated in 1812 when the party of Governor Elbridge Gerry of Massachusetts divided one section of Essex County in such a way as to give it a dragon-like shape. On the map it was said to look like a salamander or a "gerrymander."

Quisling—was a Norwegian who came to power in Norway after the Nazis had taken over the country. As he was one of the first notorious examples of collaboration, his name has become synonymous with "traitor."

gordian knot—a complicated or inextricable difficulty. The expression comes from a knot tied by Gordius, King of Phrygia. It was declared by an oracle that the man who untied the knot would become the master of Asia. Alexander the Great solved the difficulty by cutting the knot with his sword. "To cut the gordian knot" now means to use bold means in solving a problem.

old as Methuselah—Methuselah was one of the patriarchs who was said in the Bible to have lived 969 years. The term is used, therefore, in speaking of a very old man.

put your John Hancock on something—John Hancock was an American statesman who, in signing the Declaration of Independence in very large and bold characters, remarked to the effect that King George of England would not need his spectacles to read the signature. The expression is generally used now to mean affix a signature to a paper.

Pyrric victory—a victory that has cost the victor too dearly to be deemed a real success. After defeating the Romans in a battle in which he lost much of his own army, Pyrrhus, king of Epirus, is quoted as saying, "One more such victory over the Romans, and we are utterly undone."

Achilles' heel—As the hero of Homer's **Iliad**, Achilles became the Greek ideal of youthful courage, beauty, and power. An arrow shot by Paris wounded him fatally in the heel, which was the only part of his body left improtected by an impenetable suit of armor constructed for him by the Gods. Hence, the term "Achilles' heel" means the one vulnerable point.

* * *

In drawing your attention to various idiomatic words and expressions commonly used in English, we feel that we have probably neglected to emphasize ordinary words that are frequently misused or confused. The following definitions and examples of correct usage of pairs of words are taken from Mr. Norman Lewis' book, **Power with Words.**

less—fewer: **less** is singular; it refers to anything in bulk, as less fortunate, less money. **Fewer** is plural and refers to individual things, as **fewer** homes, **fewer** opportunities.

ingenious—ingenuous: **ingenious** means clever, adroit, skillful; the noun is ingenuity. **Ingenuous** means naive, unsophisticated; the noun is ingenuousness.

principle—principal: the first is a doctrine, rule, or law, as "A man of **principle** fears no criticism." The second is chief, or leading, as "The **principal** means of winning the war is by offensive action."

imply—infer: **imply** is to hint or express indirectly; only a person speaking or acting can **imply** anything. To **infer** is to draw a conclusion; only a listener or watcher can **infer** anything.

effect—affect: as a noun **effect** means result, as "the **effect** of war on a country;" as a verb it means to cause or bring about, as "Will the doctor effect a cure?". To **affect** is to change or influence, as "Does the hot weather affect you?".

"ACTORS AND PUPPETS"—A GERMAN VIEW

This cartoon, from *Der Simpl* (Berlin), indicates a German view of the situation in occupied Germany today. The governing powers, France, America, Britain and Russia, are likened to the masters of a puppet show who pull the strings, making the puppets do as the masters want. The German people, of course, are the puppets.

FOR MOST MILES PER DOLLAR... INSIST ON

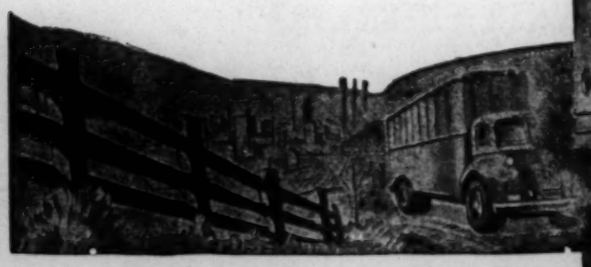
Firestone

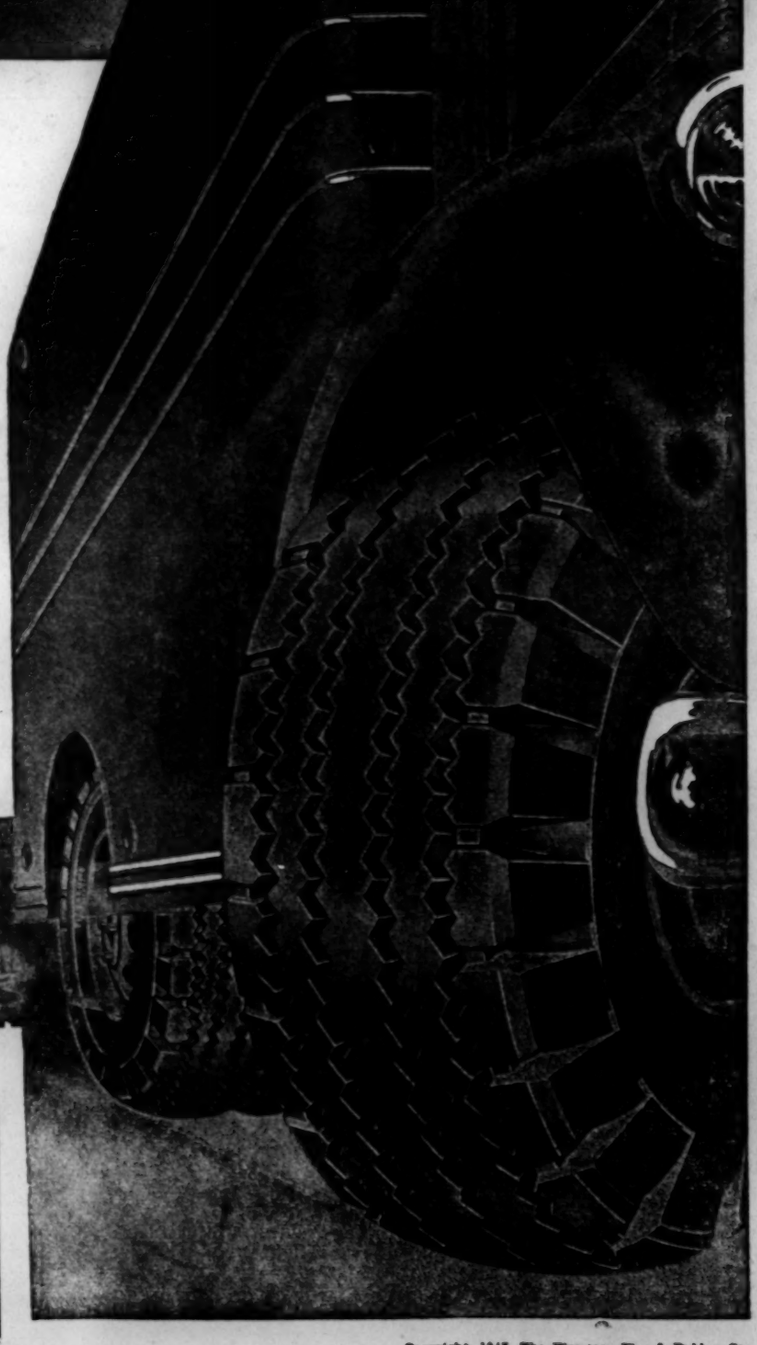
Rayon TRANSPORT TRUCK TIRES

MORE and more truck owners are changing to Firestone Rayon Transport Truck Tires, because they are delivering most miles per dollar. And here are the reasons why:

- **The longer-wearing tread is flatter and has more traction angles.**
- **Duraflex construction welds the body and tread into an inseparable unit.**
- **Two extra plies under the tread give greater protection against road impacts.**
- **The rayon cord body assures extra strength and longer life.**
- **Gum-Dipping means cooler running under all conditions of road and load.**
- **Twin beads provide greater stability.**

Put them on your present trucks. Or, if you are buying new units, order them equipped with Firestone Rayon Transport Truck Tires for lowest ton-mile costs.





Distributors

WILLIAM HUNT & CO.

Fed. Inc., U.S.A.

53 Foochow Road Tel. 18696

Copyright, 1947, The Firestone Tire & Rubber Co.

FOR every form of power, every type of vessel, there are Caltex Marine Lubricants that will assure and sustain high operating efficiency, keep maintenance and lubrication costs at a minimum. Caltex Lubricating Engineers will gladly cooperate in the selection of the correct grades of Caltex Marine Lubricants for your equipment and will make regular check-ups on their performance.

★ TURBINES ★ DIESELS ★ AUXILIARIES ★
RECIPROCATING STEAM ENGINES ★ DECK GEAR

CALTEX MARINE LUBRICANTS

AVAILABIE AT

SHANGHAI · HONGKONG · TIENTSIN · TSINGTAU · NANKING · HANKOW · CANTON

Printed by THE MERCURY PRESS